PREMIER FOODS

Enriching life through food

Premier Foods plc Annual Report for the 52 weeks ended 30 March 2024

Overview

As one of the UK's largest food businesses, we're passionate about food and believe that each and every day we have the opportunity to help enrich peoples' lives by creating great tasting products that contribute to healthy and balanced diets, while committing to nurturing our people, local communities and our planet.

We are proud to be British, employing over 4,000 people operating from 14 sites across the UK, supplying a range of customers with our iconic brands which feature in millions of homes every day.

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Find us online at www.premierfoods.co.uk

Our strategy

Continue to grow the UK core

Supply chain investment

Expand UK into new categories

Build international businesses with critical mass

Inorganic opportunities

Read more on pages 18 and 21.

Our branded growth model

Leading brand positions

Insight driven new products

Sustained marketing investment

Retailer partnerships

Read more on pages 04 and 05.

Our Enriching Life Plan

Products

Helping consumers lead healthier and more sustainable lifestyles, by creating foods which have a higher nutritional value, are kinder to the environment and are free of unnecessary or problematic packaging.

Planet

Contributing to a healthier planet through strong commitments to tackle climate change and deforestation, improving the sustainability of farming practices and reducing waste.

People

Forging inclusive and fulfilling career pathways that contribute to the UK economy and giving back to the communities where we operate.

Read more on pages 30 to 41.

Highlights

Over the year, we have continued to deliver strong progress against each of our five strategic pillars.

This has resulted in another strong set of financial results, with revenue and Trading profit both growing significantly year-on-year. Our branded growth model continues to deliver sales growth through new product development ('NPD'), sustained consumer marketing investment and excellent in-store execution. Strong cash generation has also helped us to reduce our Net debt to its lowest ever level, even after acquiring *FUEL10K*. With this year of strategic progress and strong financial performance, we are increasing our final dividend by 20%.

Statutory measures include 5 months' ownership of *FUEL10K* for FY23/24. A definition of Alternative Performance Measures and a reconciliation between headline and statutory measures are provided in the appendices on pages 60 to 62.

Read more on pages 24 and 25.

Delivering against each of our five strategic pillars

+13.6%

Continue to grow the UK core

Our core UK business is key to the success of the Group. This year we have delivered UK branded revenue growth of +13.6%, demonstrating the continuing success of our branded growth model.

See page 18 for more information

£33m

Supply Chain Investment

This year we have spent £33m improving efficiency and productivity. This ongoing investment strategy releases cost that we invest back into our brands in order to drive further growth.

+72.3%

Expand UK into new categories

Sales from new categories have increased by +72.3% over the year, driven by products such as *Ambrosia* porridge pots.

See page 20 for more information

+12%

Build international businesses with critical mass

We have continued to deliver progress, with International sales up +12% in the year (on a constant currency basis), building distribution across our key focus markets.

FUEL 

Inorganic opportunities

This year we purchased *FUEL10K*, a vibrant breakfast brand, which we believe will benefit from our branded growth model and deliver accelerated growth.

See page 21 for more information

Financial and operational highlights

£1,122.6m
Headline revenue [1,2]
+ 15.1%

FY23/24	£1,122.6m
FY22/23	£975.6m
FY21/22	£900.5m
FY20/21	£934.2m
FY19/20	£847.1m

£179.5m
Trading profit [1,3]
+ 14.0%

FY23/24	£179.5m
FY22/23	£157.5m
FY21/22	£141.2m
FY20/21	£141.6m
FY19/20	£124.0m

£151.4m
Profit before tax
+ 34.7%

FY23/24	£151.4m
FY22/23	£112.4m
FY21/22	£102.6m
FY20/21	£122.8m
FY19/20	£53.6m

1.2x
Net debt to adjusted EBITDA ratio[1]

FY23/24	1.2x
FY22/23	1.5x
FY21/22	1.7x
FY20/21	2.0x
FY19/20	2.8x

56,580
Scope 1 & 2 emissions (tCO_2e)[4] (market-based) -13.8%

FY23/24	56,580
FY22/23	65,629
FY21/22	37,848
FY20/21	72,913

1.728p
Final dividend
+ 20%

FY23/24	1.728p
FY22/23	1.44p
FY21/22	1.20p
FY20/21	1.00p

Further analysis and KPIs found on pages 26 to 29.

1 A definition of Alternative Performance Measures and a reconciliation between headline and statutory measures are provided in the appendices on pages 60 to 62.
2 Headline revenue in FY23/24 and FY22/23 exclude Knighton.
3 FY22/23 Trading profit was stated including software amortisation, the prior year comparatives have been re-stated accordingly.
4 Total Scope 1 & 2 Greenhouse Gas Emissions – Market-based (tCO_2e).

Our branded growth model

Our branded growth model fuels the core business, and consists of four elements:

We have leading brands…

Many of our brands are leaders in their categories with high household penetration.

Flavourings & Seasonings

Quick Meals, Snacks & Soups

Ambient Desserts

Cooking Sauces & Accompaniments

Ambient Cakes

...that innovate to meet consumers' needs...

We launch new products based on consumer trends, with a major focus on health and nutrition.

1. **Health and nutrition**
2. **Convenience**
3. **Snacking and on-the-go**
4. **Indulgence**
5. **Packaging sustainability**

Case Study

Ambrosia porridge pots

In FY22/23, we launched a new range of *Ambrosia* porridge pots in a ready-to-eat format. This NPD took us into the breakfast category for the first time, as part of our strategy to expand into new categories.

Over the year, *Ambrosia* porridge pots delivered +108.7% revenue growth and now has a 10.2% share of the porridge pots market, helping *Ambrosia* become our fourth £100m brand.

Read more in our Strategy in action on page 20.

...which are supported by engaging marketing...

Significant investment in TV advertising and digital activation behind seven of our brands, creating emotional connections with consumers.

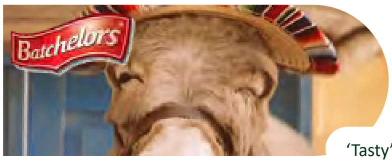
Best Restaurant in Town

'Devon knows'

'Adventures in flavour. Since 1889'

'Dad's night in'

'Piano'



'Tasty'

'Sticking together'

...and strong customer partnerships.

Focused on driving mutual category growth and delivering outstanding in-store execution.

Our ingredients

We offer consumers great tasting products made from quality ingredients.

We source a wide range of healthy, natural ingredients for our products, purchasing raw ingredients from a range of suppliers in the UK and from markets around the world. Last year we purchased over 265,000 tonnes of food ingredients, working with around 245 suppliers, to develop long-term sustainable partnerships which deliver mutual benefits. We source our ingredients in a responsible manner to give consumers confidence that the food they purchase is produced in an ethical and sustainable way. Under our Enriching Life Plan, we have set a target to more than double the sales of products that meet high nutritional standards.

How we make our products

We make a lot of our products in a similar way as people do in their kitchens at home. We combine simple ingredients and then cook them – it's just we do it on a much larger scale.

Take *Loyd Grossman* Tomato and Basil sauce as an example. We take ingredients such as sun ripened tomatoes, garlic puree and fragrant basil and combine them with typical store cupboard ingredients such as extra virgin olive oil, sea salt and black pepper. We prepare and heat our sauces in large pans to ensure they are thoroughly cooked and can deliver the long shelf life consumers expect whilst containing no artificial preservatives. The cooking is carefully controlled and the recipe is kept consistent to ensure the outcome, in terms of flavour and consistency, is always the same.

Each year we purchase around:

14,000 tonnes of

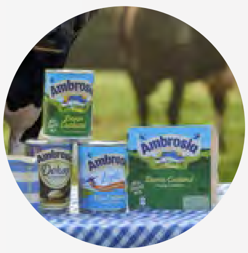
tomatoes

from Spain and Portugal, for our *Sharwood's, Loyd Grossman* and *Homepride* sauces.

55,000 tonnes of

wheat

from UK farmers, for our Andover Mill, which is used to make bagged flour and baking mixes, including *McDougalls*.



37 million litres of

milk

from West Country farmers, for our *Ambrosia* rice pudding, custard and porridge.

2,900 tonnes of

Bramley apples

from UK orchards, for products such as our *Mr Kipling* fruit pies.

Case Study

Parsley

Camstar Herbs is one of the largest producers of dried parsley in Europe, with 3,000 acres in the UK dedicated to the crop, and they've been suppliers to Premier Foods for 13 years. Premier Foods buys 72 tonnes of parsley each year for use in a broad range of products such as *Paxo* Stuffing, *OXO* Cubes, *Batchelors* Cup A Soup, *Batchelors* Pasta N Sauce and *Bisto* Parsley Sauce.

All Camstars growers are Red Tractor approved which ensures high standards and means their crops can be traced to the British farms they came from. The firm also prides itself on getting the crop from the fields to the factory in less than half an hour where the parsley is carefully dried to capture its flavour before it's used in our recipes.

One of Camstar's largest sites is Chestnut Farm in East Anglia which grows parsley between July and November. The site is carefully managed to protect the soil from the damage which can be caused by heavy agricultural practices. Instead, the ground is only lightly ploughed and the crop is planted using a corn drill to ensure minimal soil disturbance. Oats and radishes are grown on the land through the winter to encourage aphid eating invertebrates for spring, reducing the need for pesticides.

72 tonnes of

UK parsley

for our *Paxo Stuffing*, *OXO cubes* and *Batchelors Cup A Soup*

"Herbs like ours can transform a product, elevating it above the every day. We're proud of our attention to detail and commitment to sustainable production principles we share with Premier Foods. It's great to know our parsley is playing a key role in so many famous products."

Andrew West,
a key grower from Chestnut farm

Strategic report

Our investment proposition

Outlined below are a range of attributes, which we believe make the Group an attractive investment for equity and debt investors alike.

01

Category leading brands

We are market leader in the five main categories in the UK in which we operate (see page 12).

These market shares range from 15% to 44% and many of our brands display a high degree of household penetration.

90% of UK households purchase one or more Premier Foods products every year.

We are building ever stronger positions in our categories overseas, particularly our leading markets of Australia and Ireland. An example being cake, where *Mr Kipling* is the No. 1 brand in the UK, Ireland and Australia.

02

Proven branded growth model

Brands are at the heart of our business and will continue to drive our future growth.

Through our market-leading brands, we invest in emotionally engaging advertising, launch insight-driven new products and foster collaborative partnerships with our retail customers.

Through this proven branded growth model, we have continued to deliver consistent branded revenue growth in the UK, which has increased by 5.1% per year, on average, over the last three years.

We also apply our branded growth model to deliver value to the other areas of our strategy e.g. new categories, international and acquisitions.

03

Strong margin profile

Our adjusted EBITDA % margins compare favourably with many of our sector peers, including branded multinational FMCG businesses.

These strong margins provide the platform for us to continually invest behind our brands, through marketing investment and product innovation.

In FY23/24, our adjusted EBITDA % margins were 18.2%, reflecting the sustained focus on our branded growth model, leveraging the strength of our category-leading brands.

04

Supply chain investment

We run an ongoing capital investment programme throughout our supply chain to capture opportunities for growth, enhance site efficiency through cost reduction initiatives and upgrade our infrastructure.

We have a pipeline of projects from which we expect to generate further efficiency gains and we plan to steadily build our capital investment over the medium-term.

05

Highly cash generative

We operate a business which is highly cash generative. With our strong adjusted EBITDA margins, lower financing costs and proportionate levels of capital investment we generate attractive levels of free cash flow.

We maintain a Net debt/adjusted EBITDA medium-term target of 1.5x and have completed two acquisitions in the last two financial years, our first for 15 years, while still reducing our leverage.

06

Pension obligations solution

In June 2020, we completed a segregated merger of our pension schemes into one single Trust. In March 2024, we announced the suspension of pension deficit contribution payments which in FY23/24 were £33m. This significant step presents us with enhanced capital allocation options to deliver on our growth ambitions. A full resolution of the pension scheme, with the scheme fully de-risked, is forecast by the end of 2026.

07

Responsible in all that we do

Our ESG strategy – the Enriching Life Plan – is articulated through our three strategic pillars of Product, Planet and People. We have set out our ambitions and targets under each pillar as we ensure the food we create helps enable people to lead sustainable, healthier lifestyles.

The Enriching Life Plan covers all aspects of sustainable development and encompasses everything we touch, from the ingredients we source to the communities we serve.

Our purpose, values and culture

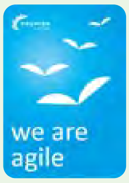
Our company purpose – Enriching Life Through Food – guides our actions every day. It motivates us and is reflected in every element of how we run our business for our consumers, our planet and our colleagues.

For consumers it means creating great tasting food that enables people to lead sustainable, healthier lifestyles. For the planet it means making food in a way that respects the world's natural resources and being a responsible and ethical business. For colleagues we are contributing positively to their lives by creating an inclusive culture of entrepreneurship, where our people can reach their full potential and be their authentic selves at work. Our purpose is also the driving force behind our sustainability strategy, known as our Enriching Life Plan, which encompasses everything we touch, from the products we make to the ingredients we source and the communities we operate in.

For more information see our Enriching Life Plan and pages 30 to 41.

We're determined to be the best, consistently delivering at the highest level.

We're creative in what we do and how we do it.



We're energetic and act with pace.

We achieve more when we work together.

We bring out the best in each other.

Our values and culture

As one of the UK's leading food producers, we're committed to creating a truly great place to work. Our shared values are the DNA of our business, helping guide us in the way we do things. They give us a common framework for decision-making and enable us to challenge ourselves, and each other, to live them day-by-day.

Creating a more modern and flexible working environment

During 2023 we invested in a new head office, which provides a more modern working environment and creates a workspace that is fit for the future needs of Premier Foods, whilst also supporting the Planet pillar within our Enriching Life Plan by reducing our head office CO_2 emissions by around 30%.

87%

RESPONSE RATE TO ENGAGEMENT SURVEY

Our new office, showcasing our new corporate logo and colour scheme, is a flexible space, with more collaborative and informal spaces. Technology plays a big part, with digital desk booking, signing in, and wireless charging, as well as video conferencing capability in all rooms. We also have an extensive modernisation programme being rolled out across our sites as we continue to further invest in the capabilities, infrastructure and organisation that are needed to deliver our exciting growth ambitions.

Building a high performing, engaged workforce

In January 2024, we conducted our companywide "OK to say" colleague engagement survey and were pleased to receive responses from 87% of our colleagues, ensuring that we would have a rich set of data on which to build our action plans. We were delighted to see that great progress has been made from our last survey in 2022, with 10 of the 12 categories (including Leadership, Recognition and Personal growth) showing improving scores, and the remaining 2 staying the same.

In addition, our overall engagement score increased to 72%, up 3 points. We are currently in the process of communicating the results of this year's survey to management across the business, so that they can share this with their teams and agree development plans for the coming year.

Employer Brand

To continue our work to make our company an employer of choice, we are developing an Employee Value Proposition (EVP) which we will launch in FY24/25. Over the year, 27 focus groups were conducted across the business to understand directly from colleagues what working for Premier Foods is really like, why they choose to work for us, and what makes them stay. This is helping us to gain a more accurate understanding of our culture so that we can be transparent when attracting new talent to the business, and it will also help us retain colleagues who already work for us.

Investing in our colleagues

Investing in colleague development continued to be a key focus area for us throughout the year. We believe continuous learning and growth are essential for the success of both our colleagues and the business.

During FY23/24 we have implemented various initiatives to support the professional development of colleagues, delivered through local academies which have been built around core competencies for each functional area and are designed to enhance skills and knowledge in their area of expertise.

We have provided opportunities for training, workshops, and on the job development. We continue to provide access to extensive online learning resources and are pleased to note that colleagues' usage has increased by 136% year-on-year. Our company usage, based on hours per user, is double the average of other LinkedIn Learning customers.

We also have mentoring, reverse mentoring, sponsorship and coaching programmes in place and encourage external networking to broaden individuals' perspectives. We have high potential programmes in place for our junior and middle management colleagues and bespoke offerings for more senior leaders.

Following feedback from our manufacturing colleagues as part of the 2022 survey, we launched our Thrive conversation, a standardised colleague development review for non-management colleagues across our factory locations. Over 140 factory line managers have attended training workshops to ensure successful implementation and development conversations are now consistently taking place across the business on a rolling basis. Our ambition is that by 2030 at least 80% of our colleagues will believe they have the opportunity to develop and grow, as measured through our engagement survey.

Evolving our inclusive culture

Inclusion and Diversity ('I&D') remains a key strategic priority for Premier Foods as we believe it is not only the right thing to do but also makes good business sense, by creating a culture where all our colleagues can thrive. Our well established #oktobeme programme aims to truly embed inclusion and diversity across the business and ensure that everyone feels safe to bring their authentic self to work. It was therefore good to note in our recent survey that 73% of colleagues believe they can be their authentic self at work which is a 3% increase on our previous survey.

#oktobeme

Last year we launched our first two Employee Resource Groups ('ERGs'), focused on Multi-Culture and Gender themes and sponsored by members of the Executive Leadership Team. Following the successful implementation of these, we recently launched our next two ERGs for Health and Disability and LGBTQ+. The ERGs' purpose is to educate, engage and enable sustainable change to occur, and each have identified key areas of focus which include attraction of new talent, education of colleagues within the business, role modelling and investing in early careers.

As proud sponsors of Diversity in Grocery (DIG), we were invited to present a Learning Lab at the annual DIG Live Conference in October 2023. This is a major annual event for the food and drinks industry, with both manufacturers and retailers in attendance. Our newly formed Gender ERG invited five female colleagues to share their personal stories about the menopause and support provided within the workplace with over 1,300 I&D leaders and change makers from our Industry.

73%

OF COLLEAGUES BELIEVE THEY CAN BE THEIR AUTHENTIC SELF AT WORK

About Premier Foods

As one of the UK's leading food businesses, we're passionate about food and believe, each and every day, we have the opportunity to enrich life for everyone. During FY23/24, Premier Foods employed over 4,000 colleagues operating from 14 sites across the country, supplying a range of customers with our iconic brands which feature in millions of homes every day.

We operate primarily in the ambient food sector, which is one of the largest sectors within the total UK grocery market. We operate in four key Grocery categories and the Ambient Cakes category. Our brands are leaders in their categories with high household penetration, and 85% of our total revenue comes from branded products. Following the acquisition of *FUEL10K* in October 2023, we are accelerating our presence in the Breakfast category.

We are proud to be a British business, our 7 manufacturing sites across the UK make 92% of the food we produce[1]. Our brands are leaders in their categories and bought by 90% of UK households.

[1] Based on retail sales value for FY23/24

Categories	Brands	Position	Share
Flavourings & Seasonings	Bisto, OXO, Paxo	#1	44%
Quick Meals Snacks & Soups	Batchelors, Nissin	#1	38%
Ambient Desserts	Ambrosia, Bird's, Angel Delight	#1	41%
Cooking sauces & Accompaniments	Sharwood's, Loyd Grossman, Homepride, Spice Tailor	#1	15%
Ambient Cakes	Mr Kipling, Cadbury	#1	18%

Source: Category position and market share: Circana, 52 weeks ending 30 March 2024

Strategic Partnerships

Nissin

We entered into a co-operation agreement with Nissin Foods Holdings Co., Limited ('Nissin') in 2016, and have launched *Batchelors* Super Noodles in a new pot format, using Nissin's leading noodle technology and manufacturing expertise. In addition, we have taken on distribution of Nissin's Soba noodle pots, brought the Cup Noodle brand to the pot market, and have also grown Nissin's Soba noodle bags in the market. Nissin are now market leader, in the UK, in the authentic quick meals and snacks pot market, with a 64% share.

Mondelēz International

In 2017, we signed a strategic global partnership with Mondelēz International to renew the Company's long-standing licence to produce and market *Cadbury* branded cake, as well as home baking and ambient dessert products. The partnership covers multiple countries and has the potential to use the full range of *Cadbury* brands in ambient cake.

Customers

We seek to execute our branded growth model through strategic alignment with our customers, developing best-in-class, differentiated plans across all channels and formats.

We operate a multi-format, multi-channel approach to serving a broad range of customers, including major UK supermarkets, discounters, e-commerce channels, convenience stores, wholesalers and foodservice operators.

Our international business

We are driving growth in our international business through the deployment of our branded growth model, with the aim of achieving critical mass in our strategic focus markets.

Our largest international businesses are in Australia and New Zealand and Ireland, where we have established strategic relationships in our focus categories with the leading retailers in both markets. Our brand focus is on *Mr Kipling* cake and *Sharwood's* and *The Spice Tailor* cooking sauces, plus we are now exploring the potential for *FUEL10K* to expand overseas. Our objective is to build global brands through leveraging our proven branded growth model, to create a business of scale, over time. Our other areas of geographical focus are EMEA (Europe, the middle East and Africa) and North America. Our international business has grown +62.6% since the launch of our new strategy in 2020, and delivered another strong performance in the year, with sales +12% on a constant currency basis.

Ireland

Strong performances with our three major retailers, resulting in revenue growth +17% versus prior year. Reflecting growth across a number of key brands, including *Ambrosia*, *Bisto* and *Oxo*.

Australia and New Zealand

We have continued to build the *Mr Kipling* and *Cadbury* cake brands in Australia, reaching a record market share of 16.1% during the year, consolidating our leadership position.

Now building distribution of *The Spice Tailor* in New Zealand.

Europe

Revenue growth +28% versus prior year, helped by increased distribution for *Sharwood's* in a range of markets including Spain, Germany and the Netherlands.

North America

Within North America, we our building distribution of *Mr Kipling* with customers and now have listings in over 3,000 stores across the USA and over 900 in Canada.

We are also expanding distribution of *The Spice Tailor,* with 1,200 stores in Canada, and recently agreed new listings in over 1,000 stores in the USA.

Consumer and market trends

The ambient Grocery market is shaped by a number of consumer, economic and social trends and also the regulatory environment.

We have a deep understanding of the consumer trends most pertinent to the categories in which we operate. We apply these trends as we develop innovative new products and evolve our existing ranges to ensure we continually meet consumers' needs. Some of the new product ranges we bring to market may align to more than one of the consumer trends which are outlined below.

Consumer trends

Health and nutrition

Impact

Consumers continue to seek better-for-you options in their diet. This may encompass food and meal choices that provide additional health or nutrition benefits, including being lower in one or more of fat, salt, sugar or calories.

Our response

Health and nutrition is a leading consumer trend for us and, therefore, one which is pivotal in guiding the type of new products we bring to market. This year, we expanded our range of cooking sauces with the addition of *Sharwood's* Curry Pastes with 30% less fat. We also launched low fat *Batchelors* Pasta 'n' Sauce pots. These follow the launch last year of a range of *Mr Kipling* 'Deliciously Good' cakes and pies, classified as non-HFSS (non-high in fat, salt and sugar) and which provide consumers with a healthier version of cakes, made with higher proportions of fruit and fibre.

Convenience

Impact

Consumers live increasingly busy lives, and don't always have the time to cook from scratch, often using a multitude of ingredients. Accordingly, consumers look for help when preparing and cooking delicious meals at home, especially during the middle of the week.

Our response

Convenience is therefore another key consumer trend we incorporate in our innovation programme. To align to this trend, we launched a larger, 'Big Pot' version of the already popular Soba Noodle range. Soba Noodles have proved immensely popular since we assumed distribution in 2017; the brand is now worth £49m in retail sales value and has grown revenue by an average of 54% per annum for the last five years.

Snacking and on the go

Impact

Many consumer meal and eating occasions take place in the home, however, many also take place away from home. These may be across all meal time occasions, be they breakfast, lunch or dinner.

Our response

In light of this trend, we offer many different products across our portfolio to provide consumers with tasty and convenient products they can eat when they are on the go. For the breakfast meal occasion, we have our successful *Ambrosia* porridge pots which require no added ingredients and which can be eaten either hot or cold. We also now have the *FUEL10K* brand, which we acquired this year and which offers a wide range of protein enriched products, such as Oat bars and breakfast drinks, which can be consumed on the go. Additionally, the *Mr Kipling* range features the ever popular snack pack cake slices which are bought in packs of six or eight individual packaged cake slices and are ideal for lunch boxes.

Consumer trends

Premium and indulgence

Impact

There continues to be demand for more premium and indulgent products, as when consumers are seeking a treat, they're looking for exceptional taste to warrant the indulgent nature of the eating occasion. This remains the case, despite the backdrop of the well documented impact of inflationary pressures and a clear trend from consumers to eat more healthily.

Our response

We continue to build premium and indulgent products into our innovation plans. For example, this year, we extended our range of premium *Ambrosia* Deluxe custard and rice products, for those consumers in search of a more premium dessert offering. Not only does this provide an indulgent treat but the *Ambrosia* Deluxe range is also non-HFSS. Additionally, we launched our best ever *Mr Kipling* Signature mince pies which received strong consumer reviews.

Packaging sustainability

Impact

Consumers are also interested in food that helps support healthier and more sustainable lifestyles, are kinder to the environment and made of recyclable or compostable packaging.

Our response

Across our portfolio, 96% of our packaging is recyclable, reusable or compostable. Therefore, a significant proportion of our products are entirely recyclable. We remain committed to making 100% of our products recyclable, reusable or compostable. Since joining the UK Plastics Pact in 2018, we have reduced our total packaging usage by 23% and increased total recyclability from 91% to 96% and the recyclability of plastics from 48% to 86%.

Economic trends

Consumer budgets in transition

Impact

Over the last two years, consumers have experienced inflationary pressures in many areas of household expenditure, such as heating bills, fuel and food. This led to declining disposable incomes, resulting in many consumers looking for nutritious and affordable alternatives in their weekly shops. In more recent months, inflation has moderated and wages have grown faster than the CPI index, so providing improved purchasing power and bringing some relief to consumers.

Our response

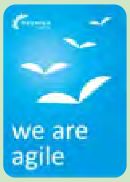
Our portfolio has a broad range of affordable and good quality products, which families can purchase as part of preparing and cooking healthy and inexpensive meals. Not only does our portfolio offer many options to prepare nutritious and good value meals, we have also lowered the promotional prices of many of our products during the second half of FY23/24. Products such as *Batchelors* Super Noodles, *Loyd Grossman* cooking sauces and *Mr Kipling* slices all lowered their promotional prices, providing improved value for consumers.

Our business model

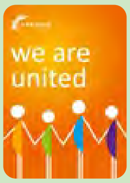
Our values and culture

We're determined to be the best, consistently delivering at the highest level.

We're creative in what we do and how we do it.



We're energetic and act with pace.



We achieve more when we work together.

We bring out the best in each other.

Our capabilities

Consumer insight

We have deep understanding of our consumers, based around insights on how they shop, how they cook and how they eat. We use this insight, together with our knowledge of new and emerging food trends, to develop and launch products that meet their needs.

Colleagues

Our unique and inclusive culture helps us to attract and retain talented colleagues across our business. Our experienced leadership teams, have a broad and deep understanding of the food industry, and are focused on delivering exceptional performance.

Sourcing

We are committed to producing high-quality food that is sourced in a fair, ethical and environmentally responsible way.

Manufacturing

Our strong manufacturing capabilities allow us to manufacture a diverse range of high quality products with enhanced efficiency, whilst maintaining our leading standards of safety, both for our food and our colleagues.

Our competitive advantage...

Our branded growth model

Leading brand positions

Our brands are leaders in their categories with high household penetration.

Insight driven new products

We launch new products linked to key consumer trends, with a major focus on health and nutrition.

Sustained marketing investment

We create emotional connections, through media, to build brands, maintain awareness and keep them contemporary.

Retailer partnerships

Our partnerships are focused on driving mutual category growth and delivering outstanding in-store execution.

Our ESG commitments

Product
Helping consumers lead healthier and more sustainable lifestyles, by creating foods which have a higher nutritional value, are kinder to the environment and are free of unnecessary or problematic packaging.

Planet
Contributing to a healthier planet through strong commitments to tackle climate change and deforestation, improving the sustainability of farming practices and reducing waste.

People
Forging inclusive and fulfilling career pathways that contribute to the UK economy and giving back to the communities where we operate.

How we deliver value for our stakeholders

Consumers
Helping consumers make tasty, nutritional and low cost meals, and launching new products that meet their needs.

Customers
Developing strong partnerships with our customers to deliver category growth and delivering excellent in-store execution.

Colleagues
We're committed to creating a truly great place to work for our 4,000 colleagues, which provides opportunities to develop and grow in an inclusive and diverse environment.

Suppliers
We develop strong relationships based on mutual respect and trust, to source high-quality, natural ingredients for the long-term benefit of both parties.

Shareholders
Delivering sustainable profitable growth and long-term shareholder value. Over the past three years, we have delivered shareholder return of 63% and we are now positioned in the top half of the FTSE 250.

Communities
We build strong bonds with the local communities in which we operate, providing long-term employment opportunities and making meaningful contributions through our charitable giving and volunteering programmes.

The impact we make

90%
of UK households purchased one of our products last year.

+29bps
market share growth (basis points).

73%
colleague engagement score, up 3% from our last survey in 2022.

80%
of our third-party spend is with UK-based suppliers.

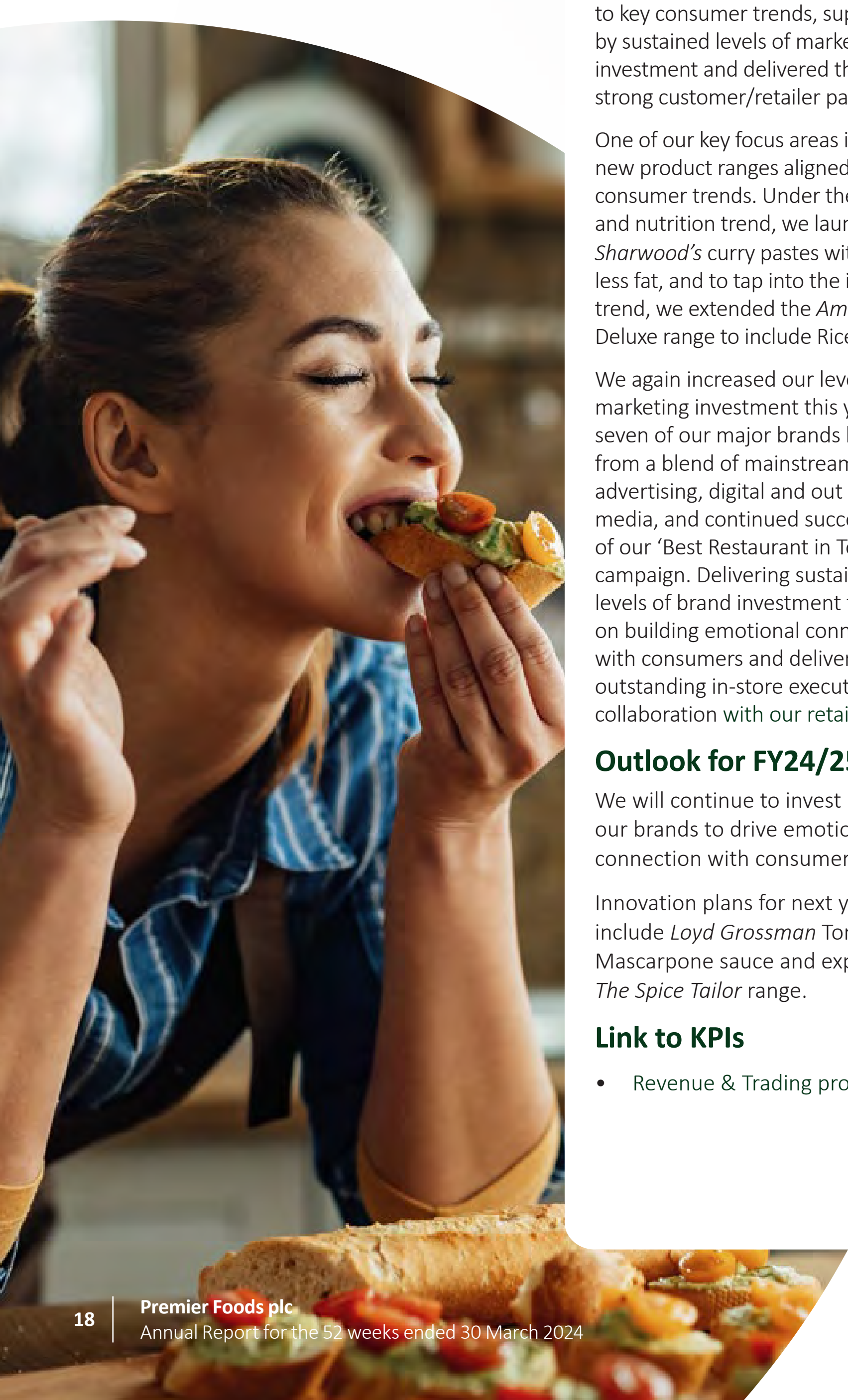
+63%
shareholder return delivered over the last three years.

949,040
meals provided to help those in food poverty (see page 189 for definition).

Our strategy

Our growth strategy is based on 5 strategic pillars to deliver sustainable long-term growth, fund investment behind our brands and provide value for our stakeholders.

While we will continue to grow our core UK business, we also focus on a number of areas which we believe have the ability to deliver additional growth.



Continue to grow the UK core

What this means

A vibrant and growing UK business provides the foundation for broader expansion.

Progress in FY23/24

Our branded growth model is at the heart of what we do. Leveraging our leading category positions, we launch new products to market linked to key consumer trends, supported by sustained levels of marketing investment and delivered through strong customer/retailer partnerships.

One of our key focus areas is to launch new product ranges aligned to key consumer trends. Under the health and nutrition trend, we launched *Sharwood's* curry pastes with 30% less fat, and to tap into the indulgence trend, we extended the *Ambrosia* Deluxe range to include Rice Pudding.

We again increased our level of marketing investment this year, with seven of our major brands benefiting from a blend of mainstream TV advertising, digital and out door media, and continued success of our 'Best Restaurant in Town' campaign. Delivering sustained levels of brand investment to focus on building emotional connections with consumers and delivering outstanding in-store execution in collaboration with our retail partners.

Outlook for FY24/25

We will continue to invest behind our brands to drive emotional connection with consumers.

Innovation plans for next year include *Loyd Grossman* Tomato and Mascarpone sauce and expansion of *The Spice Tailor* range.

Link to KPIs

- Revenue & Trading profit

Supply chain investment

What this means

We have a strong pipeline of opportunities to enhance efficiencies across our manufacturing operations. This facilitates the manufacture of new products development and enhances the safety and working conditions of our colleagues.

Progress in FY23/24

In FY23/24, we increased capital investment to £33m year on year. We continued to install more auto-casepackers and auto-palletisers in our Sweet Treats manufacturing sites. These projects are prime examples of improving efficiencies, so enhancing Gross Margins and delivering attractive financial paybacks.

Additionally, we have invested in replacing air compressors at a number of our sites and installed solar panels at our Stoke site. These initiatives not only deliver increased efficiencies but also reduce scope 1 & 2 carbon emissions.

Through improving our underlying margins, these projects provide funds for re-investment in our brands, whether it be TV or digital advertising. This serves to strengthen our brand equity and provide the platform for further growth over the medium-term.

Outlook for FY24/25

In FY24/25, we plan to grow our capital investment to levels at least in line with FY23/24.

We have a number of projects in our capital investment pipeline, including an innovative, energy efficient process to manufacture iced-topped cake products. This project will deliver increased line efficiency and productivity and also to reduce carbon emissions.

Link to KPIs

- Free cash flow

Expand UK into new categories

What this means

Leveraging the strength of our brands and our proven branded growth model by launching into new, adjacent product categories.

Progress in FY23/24

Many of our brands are leaders in their categories, with strong brand equity which can be leveraged to expand into adjacent categories.

We have made strong progress expanding into new categories in the year, growing new category revenues by +72%.

Two years ago, we launched a range of *Ambrosia* porridge pots in a ready-to-eat format that can be enjoyed hot or cold. This represented our first entry into the breakfast eating occasion. The launch has proved to be very successful, reaching 10.2% market share of the porridge pot market.

Another recent new category launch is ice-cream. The product range is available in some of the classic flavours of *Angel Delight* and *Mr Kipling*, such as Butterscotch *Angel Delight* and *Mr Kipling* Cherry Bakewell. In addition, our Cape Herb & Spice and *OXO* Marinades have also performed well.

Outlook for FY24/25

We plan to expand the distribution of ice-cream across the *Mr Kipling*, *Angel Delight* and *Ambrosia* brands, and extend *Angel Delight* ice-cream into a hand-held format. We also plan to expand distribution for our *Ambrosia* porridge pots range and augment the range with some further exciting new flavour variants.

Link to KPIs

- Revenue & Trading profit

Build international businesses with critical mass

What this means

Building sustainable overseas business units with critical mass, by applying our brand building capabilities and applying them to focus overseas markets including Ireland, Australia and New Zealand, North America and EMEA.

Progress in FY23/24

The brands we are focusing on to deliver this growth are *Mr Kipling*, *Sharwood's* and *The Spice Tailor.*

In North America, we have successfully increased distribution of *Mr Kipling* cake to over 3,000 stores in the USA and over 900 stores in Canada during the year.

We have continued to build the *Mr Kipling* and *Cadbury* cake brands in Australia, fostering collaborative partnerships with retail customers and launching new products, including *Mr Kipling* Salted Caramel Slices and Caramel Bakewell tarts. Our market share of the cake category in Australia reached 16.1% during the year, consolidating our position as market leader.

We increased the number of agreed listings for *The Spice Tailor* to 10 countries globally.

Our international business delivered revenue growth of +12% in the year (on a constant currency basis).

Outlook for FY24/25

We will continue to apply our proven branded growth model to our focus brands and markets. We're looking forward to delivering further growth of *Mr Kipling, The Spice Tailor and Sharwood's* in North America and continued expansion of *Sharwood's* and *The Spice Tailor* in Europe.

Link to KPIs

- International revenue

Inorganic opportunities

What this means

We are looking to acquire brands where we believe we can drive significant value through the application of our branded growth model.

Progress in FY23/24

In October 2023, we announced our second and latest acquisition: *FUEL10K*, a vibrant, protein enriched, high growth breakfast brand.

FUEL10K provides us with an ideal platform to accelerate our expansion into the Breakfast category, building on the increasingly established success of *Ambrosia* porridge pots. Attracting a predominantly young consumer demographic, the brand has an on-trend range of granola, oats and drinks products. In a similar way to our first acquisition for 15 years before it, *The Spice Tailor*, *FUEL10K* has demonstrated a strong growth profile in recent years, and we expect to deliver further growth through leveraging our well established and proven branded growth model.

Outlook for FY24/25

We will continue to explore opportunities to acquire brands where we believe we can add value through our branded growth model. While continuing to apply strong financial discipline, in line with the approach taken with our recent acquisitions of *The Spice Tailor* and *FUEL10K*.

Link to KPIs

- Revenue & Trading profit

Strategy in action

Strategy in action

Expand UK into new categories

Our new categories strategy is to leverage the strength of our brands and our proven branded growth model by launching into new, adjacent product categories.

We target adjacent categories where we believe the equities of our brands are well placed to deliver new and exciting alternatives for consumers and shoppers. The first product expansions under this strategic pillar include *Ambrosia* porridge pots; ice-cream in three different brand choices (*Angel Delight, Mr Kipling* and *Ambrosia*); Cape Herb & Spice and *OXO* Marinades.

Ambrosia porridge pots

Ambrosia is one of our largest and most loved brands; it is the leader in the ambient desserts category and synonymous with creaminess from Devon. With household penetration of 35.2%, *Ambrosia* demonstrates strong brand equity and with its brand and product quality, a clear opportunity existed to launch into the breakfast category.

Therefore, in FY22/23, we launched a new range of *Ambrosia* porridge pots in a ready-to-eat format which can be enjoyed hot or cold. This represented our first entry into breakfast and leverages the creaminess attributes which *Ambrosia* is well known for. The range was initially available in three varieties – original, raspberry and golden syrup flavour.

In its first year, the range was successful in growing to a 5.2% share of the porridge pots market. During FY23/24, the range continued to demonstrate strong progress, growing to 10.2% share of the market, which is growing at 19.1%. We also added a fourth flavour variant to the range this year, Apple & Blueberry, and have plans to extend the product range further in the future.

In line with our branded growth model, to increase product awareness to consumers, we also supported porridge pots with national TV media, leveraging the popular 'Moley' advertising used for the core *Ambrosia* product range.

Additionally, we implemented impactful promotional support during the year, through employing both our newly acquired brand, *FUEL10K*, and *Ambrosia* porridge pots to deliver increased sales through enhanced in-store activation.

As we look forward to FY24/25, we plan to increase retailer distribution, expand the product range further, deliver elevated levels of promotional activity in-store and continue advertising to drive consumer awareness.

MARKET SHARE

10.2%

REVENUE GROWTH

+108.7%

Strategy in action

Inorganic opportunities

Another way we can accelerate growth is through targeted acquisitions.

Acquisitions of *The Spice Tailor* and *FUEL10K*

After a 15 year hiatus, we announced the acquisition of *The Spice Tailor* in July 2022 and followed this up with the *FUEL10K* transaction in October 2023.

The Spice Tailor is a premium brand in the authentic Indian and Southeast Asian meal kit market. It is popular with consumers who enjoy scratch cooking and appreciate the strong authentic taste profiles, allowing them to make restaurant quality meals in minutes.

Since acquisition, we have increased distribution in major retailers and delivered improved in-store execution through more impactful product displays. We have also expanded our presence beyond the UK and Australia, building distribution in the Irish and Canadian markets and extended this further to add another six countries, taking the total country listings to ten.

As we look forward to next year, we expect to deliver further revenue growth and have exciting plans to launch a range of new products both in the UK and overseas, building on *The Spice Tailor's* heartland of cooking sauces and kits.

FUEL10K is a vibrant breakfast brand, boasting a portfolio of granola, oats and drinks products, and representing an ideal platform as we look to significantly expand our presence in the breakfast meal occasion, building on the established success of *Ambrosia* porridge pots.

Like *The Spice Tailor, FUEL10K* has been incredibly successful in building brand equity from scratch, bringing exciting new products to market which are well aligned to consumer trends, and achieving listings in major retailers. *FUEL10K* is also another example of a brand which has delivered strong double-digit revenue growth, building a strong consumer following. Many of these are younger consumers in search of protein enriched products.

Since we acquired *FUEL10K*, we have made strong progress integrating the business into the wider Group and the next stage for us is to leverage our proven branded growth model to deliver further progress.

For example, we have identified opportunities to increase distribution of the *FUEL10K* product range, leveraging the strength of our commercial relationships. Additionally, we will expand the innovation pipeline to bring more new products to market. We will also support the brand with increased marketing investment and explore options to launch *FUEL10K* into our existing overseas markets.

We're excited about the opportunities *FUEL10K* presents and look forward to its continued progress.

THE SPICE TAILOR **NOW AVAILABLE IN**

10

COUNTRIES

Group Chair's statement

"We have delivered another year of progress against our five strategic pillars, enabling us to end the year with a financial performance ahead of market expectations."

This report covers our 2023/24 financial year for the 52 weeks ending 30 March 2024[1]. Headline revenue[2] reached £1,122.6m, an increase of +15.1%, and adjusted profit before tax increased to £151.4m. Net debt for the Group reduced by £38.7m to £235.6m and, in April, we suspended our pension deficit contributions, creating a free cash flow saving of £33m for the year ahead.

During the year, we completed our second strategic acquisition, purchasing *FUEL10K*. Together with *The Spice Tailor*, both acquisitions are aligned to our strategy of applying management's successful branded growth model to brands that can deliver disproportionate growth and accelerate value creation. It is in line with this strategy that we took the difficult decision last year to close our Knighton site and, this year, we announced the closure of our Charnwood manufacturing site, both of which manufactured private label products for third party customers.

External climate

Inflation levels seen across the food industry in recent years continued to be high in FY23/24. As a consequence, we continued to mitigate rising costs through a range of effective processes, in conjunction with our retailer customers and broad supplier base, thereby ensuring we maintained value for consumers and delivered for our shareholders.

During the second half of the year, as input pressure started to ease together with inflation beginning to soften, the business responded with a range of measures across a number of major brands, supporting our strong performance in the second half of this year.

Financial position

Our business strategy remains unchanged and utilises our core skillset of building and growing brands to deliver sustainable long-term growth. Applying this across the core portfolio and into new categories, overseas markets and acquisitions as part of our growth plan, has delivered a consistently strong trading performance and further strengthened our robust financial position. This year we stepped up our capital investment programme, which will increase efficiency across our operations and further supports our long-term growth.

We have continued to make strong progress, following the segregated merger of the Group's legacy pension schemes in 2020. The investment strategy remains the same, to build the RHM scheme surplus and reduce the Premier Foods deficit. In April, following the strong performance of the RHM pension scheme, we suspended our pension deficit contributions, a saving of £33m in free cash flow for the year ahead, which presents us with enhanced capital allocation options to deliver on our growth ambitions.

Our Net debt has continued to fall, reaching £235.6m at the end of the year, and the Group continues to manage its working capital tightly. At the year end, FY23/24 Net debt/EBITDA sat at 1.2 times, our lowest ever level, and this is after the acquisition of *FUEL10K*.

The Board remains committed to providing shareholders with a progressive dividend each year. Therefore, I am pleased to confirm that, subject to shareholder approval, the directors have proposed a final dividend of 1.728 pence per share for the 52 weeks to 30 March 2024, a +20% increase on prior year.

Board priorities and shareholder feedback

As a Board, we support the management team's commitment to delivering our growth strategy, the success of which is evident by progress made against all its strategic pillars during the year, generating further value for our shareholders.

Delivering our ESG strategy, known as our Enriching Life Plan, remains a key focus for the Board and the management team, and this year we made further progress on our commitments, including increasing the proportion of products with a health or nutritional benefit from 43% to 44%, making further reductions to our Scope 1 and 2 emissions and increasing the number of women within our senior management to 41%. Further details can be found in our ESG section on pages 30 to 41.

The Board is now fully compliant with the recommendations of the FTSE Women Leaders Review with 40% of our Board comprised of female directors. In addition, we are also aligned with the current requirements of the Parker Review. In light of the recommendations published in March 2023, the Group has set an ambition for 7% of senior management to be colleagues from ethnic minorities by December 2027. Further information can be found in the Nomination Committee report on pages 88 to 90.

As Group Chair, I have continued our dialogue with shareholders during the year, to understand your views and priorities and ensure these were incorporated into our future planning and Board discussions. We look forward to continuing to hear your insight, as we deliver further growth and shareholder value in the coming years.

Governance and the Board

In July 2023, we announced that Simon Bentley was resigning as a director to focus on his commercial and other interests. I'd like to thank Simon for his valuable contribution to the Board over the past four years, during which time the Group has made substantial progress on its strategic objectives and wish him well for the future.

At the same time, following Simon's decision to step down from the Board, Tim Elliott, was appointed Chair of the Audit Committee.

Richard Hodgson will step down from the Board at the AGM, having served as a non-executive director for over nine years and as Senior Independent Director since 2019. I'd like to take this opportunity to thank Richard for his extensive commercial and retail insight and the important contribution he has made to the Company's strategic thinking, over what has been a period of significant transformation for the business.

Replacing Richard, in May 2024 the Board announced that Lorna Tilbian will take on the role of Senior Independent Director.

I am also pleased to advise shareholders that Malcolm Waugh will be joining the Board after the AGM, bringing a wealth of commercial, strategic and operational experience from the food and drink industry.

In summary, we have concluded the year with both a strong financial and strategic performance, which provides us with the platform to continue delivering our growth strategy, generating value for shareholders and all our stakeholders.

I would like to once again thank all of our investors, colleagues, suppliers, customers and consumers for their continued support.

Colin Day
Group Chair

16 May 2024

[1] Statutory measures include 5 months' ownership of *FUEL10K* for FY23/24. A definition of Alternative Performance Measures and a reconciliation between headline and statutory measures is provided in the appendices on pages 60 to 62.

[2] Headline revenue excludes Knighton.

+34.7%
Increase in profit before tax

14.1%
Reduction in Net debt

+20%
Increase in final dividend

Chief Executive's review

I'm delighted to be reporting another excellent performance, ahead of market expectations, with further good progress across all strategic pillars."

This has been another very strong year for the business, as we continued to deliver across all of our key financial and strategic metrics.

Our Trading profit increased by 14.0% to £179.5m[1] and headline revenue increased by 15.1% to £1,122.6m[2]. Our Grocery business performed particularly strongly, with headline revenue up 16.7%, while our overall market share increased by a further 29 basis points.

Strong trading and financial performance

Once again, we have achieved this strong performance because of our expertise in building and growing brands. Our brands are the heart of our business, and through our Branded Growth model, we have been able to continue to develop and expand our brands in the UK and internationally.

Group branded revenue increased by 13.5% and we continued to outperform the market. Through the consistent application of our branded growth model, our grocery brands have grown market share year after year and by more than 200 basis points over the last three years. A notable highlight this year has been *Ambrosia*, which has become our fourth £100m+ brand alongside *Mr Kipling*, *Batchelors* and *Bisto*.

Once again, this year we continued to operate in a challenging macroeconomic climate. Nonetheless, we again were able to mitigate significant increases in input costs and hold our margins. As the year progressed, we saw inflationary pressures start to ease and we have been able to invest in sharper promotional prices for our consumers. As a result, we saw many of our brands return to volume growth in the fourth quarter.

As a result of our continued strong Trading profit and cash generation, our financial position has further strengthened. Net debt has fallen further, and we are pleased to report our lowest ever leverage, with Net debt to EBITDA now at 1.2 times, while at the same time acquiring the *FUEL10K* brand and paying the previously announced 20% increase in dividend.

I'm also particularly pleased with the progress of our legacy pension schemes, as we announced the suspension of pension deficit contributions from April 2024. This reflects the great progress made by the Trustee in delivering their investment strategy since we completed the landmark segregated merger in 2020. The suspension of payments, represents a saving of £33m in free cash flow for the year ending 29 March 2025.

Continuing to deliver on our five pillar Growth Strategy

Alongside our strong financial performance, we have continued to make good progress against our five pillar growth strategy. This is an extension of our core brand building capabilities, to areas where we currently have limited presence such as; categories where our brands currently do not have a range of products, overseas geographies where we currently generate limited revenue, and brands we don't own yet but which would benefit from the application of our branded growth model. We have made further progress on each of the five pillars this year.

We have continued to **grow the UK core business**, with our UK branded revenue growing by 13.6% which was once again ahead of our categories. This follows consistent UK branded revenue growth of 5.1% per annum on average over the last 3 years, whilst maintaining our strong Trading profit margins.

We continue to have a significant opportunity to invest in our second strategic pillar: **supply chain infrastructure**. This year we have increased our capital investment to £33m, much of it in improving productivity and facilitating the manufacture of new product ranges. This ongoing investment releases cost that we invest back into our brands in order to drive further growth, providing a virtuous cycle.

We continue to focus our infrastructure investment on our branded production capabilities. Having announced the difficult decision to close our factory in Knighton in January 2023, the site closed in March 2024. The site manufactured non-branded powdered beverages and was not aligned to our branded growth strategy. In March 2024, we entered a consultation with colleagues regarding the proposed closure of our Charnwood site, for the same rationale, a non-branded site which is not our strategic focus.

2024 has been a significant year for the third pillar of our growth strategy: **expanding our brands into new categories**. A strategic priority for the business is to capitalise on the opportunity we see to expand our much loved food brands into new categories. During the year, we made strong progress, growing revenues from new categories by over 70%. A great example is *Ambrosia's* expansion into the fast-growing porridge pot category. We now have 10.2% share of the UK porridge pots market and have extended the range into Ireland.

Meanwhile we continue to **build our international businesses**, the fourth pillar of our strategic plan. This year we again delivered double digit growth in international revenue, while making further strategic progress, including building distribution across several key markets. This included expanding distribution of *The Spice Tailor* into ten markets, while *Mr Kipling* is now in nearly 4,000 stores in North America and *Sharwood's* further expanded distribution across both Europe and North America.

The final pillar of our strategy is to **buy brands that will benefit from the application of our branded growth model**, and this year we made our second acquisition in just over a year with *FUEL10K*. This high-growth vibrant breakfast brand will accelerate our expansion into the breakfast category and beyond. During the year, we also continued to expand distribution of our first acquisition, *The Spice Tailor,* both in the UK and overseas. I'm pleased to report that the brand has delivered returns ahead of our acquisition plan.

Enriching Life Plan

In making this financial and strategic progress, we continue to deliver against our 2030 commitments, as laid out in our Enriching Life Plan.

This year we made further progress in increasing the proportion of our products meeting higher nutritional standards, which has now reached 44%. We also reduced our market-based Scope 1 and 2 emissions by 13.8% which is ahead of our plan and also delivered significant energy cost savings.

Meanwhile, we continue to help our colleagues to thrive at work and ensure we have a positive impact on the local communities where we operate. This year we donated 949,040 meals to FareShare and food insecurity charities. Further details can be found on pages 30 to 41.

Recipe for success

Over the past four years, we have successfully navigated a wide range of challenges, including global supply chain disruption and unprecedented inflation. Our continued strong performance despite these challenges, demonstrates the robustness of the business, the strength of our brands, our strategy and performance led culture.

As we look forward, leveraging these strengths and continuing to focus on delivering our proven strategy, I am confident that Premier Foods will continue to deliver significant growth and become a much bigger business than it already is today, creating further value for shareholders.

Alex Whitehouse
Chief Executive Officer

16 May 2024

[1] Statutory measures include 5 months' ownership of *FUEL10K* for FY23/24. A definition of alternative performance measures and a reconciliation between headline and statutory measures is provided in the appendices on pages 60 to 62.

[2] Headline revenue excludes Knighton.

+15.1%
INCREASE IN HEADLINE REVENUE

+29bps
INCREASE IN UK MARKET SHARE

+14.0%
INCREASE IN TRADING PROFIT

£38.7m
REDUCTION IN NET DEBT

Key performance indicators (KPIs)

Financial

We use a number of performance indicators to monitor financial, operational and ESG performance.

These are reviewed on a regular basis by our senior management teams and the Board. Performance indicators are used to encourage focus on the delivery of our key strategic priorities. They are used to measure performance, highlight areas for attention and corrective action, as well as recognising good performance and celebrating success. Trading profit and certain ESG targets also form part of management's bonus objectives.

The KPIs set out below are aligned with the Group's five pillar growth strategy and also the commitments set out in our ESG strategy, the Enriching Life Plan.

£1,122.6m

Headline revenue[1,2]

FY23/24	£1,122.6m
FY22/23	£975.6m
FY21/22	£900.5m
FY20/21	£934.2m
FY19/20	£847.1m

Why is this important?

Delivering sustainable revenue growth is one of our strategic priorities.

Progress we have made

Headline revenue was up +15.1% versus prior year. This growth has been driven by our branded growth model of delivering new product innovation based on current consumer trends, together with engaging advertising and strategic relationships with our retail partners. The performance also reflects the recovery of input cost inflation.

Link to strategy

Link to risk

1 2 3 8 10

£179.5m

Trading profit[1]

FY23/24	£179.5m
FY22/23	£157.5m
FY21/22	£141.2m
FY20/21	£141.6m
FY19/20	£124.0m

Why is this important?

This measure reflects the profit associated with the operational performance of the business and is also a good proxy for the cash generative capacity of the business.

Progress we have made

Trading profit increased by +14.0% versus prior year. This improvement was driven by our strong revenue growth across both our Grocery and Sweet Treats segments.

Link to strategy

Link to risk

1 2 3 4 8 10

1 A definition and reconciliation of non-GAAP measures to reported measures are set out on pages 60 to 62 Trading profit for FY23/24 and FY22/23 are stated including software amortisation, and the other prior year comparatives have been re-stated accordingly.

2 Headline revenue in FY23/24 and FY22/23 exclude Knighton.

Strategy pillars

- Continue to grow the UK core
- Supply chain investment
- Expand UK into new categories
- Build international businesses with critical mass
- Inorganic opportunities

1.2x

Net debt adjusted EBITDA ratio[1]

FY23/24	**1.2x**
FY22/23	1.5x
FY21/22	1.7x
FY20/21	2.0x
FY19/20	2.8x

Why is this important?

This ratio is the key metric used by the Group in measuring its debt level relative to the overall performance of the business.

Progress we have made

Net debt reduced by £38.7m, from £274.3m to £235.6m, our lowest ever level. Reflecting strong free cash flow in the year, partly offset by the cost of the *FUEL10K* acquisition. As a result, our ratio of Net debt to adjusted EBITDA, reduced from 1.5x to 1.2x.

Link to strategy

Link to risk

1 2 3

£109.7m

Free cash flow[3]

FY23/24	**£109.7m**
FY22/23	£77.5m
FY21/22	£65.2m
FY20/21	£71.2m[1,2]
FY19/20	£70.5m[2]

Why is this important?

Free cash flow is a measure of the overall health of the business. It reflects the underlying cash generated by the Group and helps inform capital allocation decisions.

Progress we have made

Free cash flow increased by +41.5% in the year, to £109.7m. Cash flow benefitted from the strong trading performance in the period.

Link to strategy

Link to risk

1 2 3 4 8 10

£70.8m

International revenue (at constant currency)[4]

FY23/24	**£70.8m**
FY22/23	£58.7m
FY21/22	£54.8m
FY20/21	£53.9m

Why is this important?

Expanding our international business is one of our strategic priorities.

Progress we have made

International revenue, was £70.8m, +12% higher than prior year, on a constant currency basis[4]. This was the result of growth in our five strategic markets, with strong performances from *Sharwood's* and *Mr Kipling*. The international business has increased revenue by +62.6% since we launched our new strategy in 2020.

Link to strategy

Link to risk

1 3 4 10

3 Prior year comparatives have been represented in accordance with the revised definition of free cash flow set out on page 62.

4 For a definition and reconciliation, please refer to note 8, on page 62.

Key performance indicators (KPIs)

Non-financial

Non-financial KPIs align with our business model, ESG strategy and our commitment to be a responsible food business.

Launching new products based on consumer trends, with a major focus on health and nutrition, is at the heart of our branded business model.

In October 2021 we launched a new ESG strategy the Enriching Life Plan. To align with our new ESG priorities we have included a KPI to represent each of the pillars of the Enriching Life Plan:

Product – sales of products that meet high nutritional standards;
Planet – CO_2 emissions; and
People – Senior management roles held by females.

Further details of progress against our ESG targets are set out in the section on our Enriching Life Plan on pages 30 to 41 and in the Enriching Life Plan disclosure tables on pages 182 to 189.

Colleague safety is our first priority as a business. The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ('RIDDOR'), is a major indicator of the success of our Health and Safety protocols and allows us to benchmark our performance against the UK food manufacturing industry.

+29bps

Market share growth[1] (FY22/23: -31 bps)

Why is this important?

Increasing market share indicates consumer preference for our products and drives category growth for the business.

Progress we have made

Our market share value grew by +29 basis points ('bps'), versus prior year. We experienced strong growth within Grocery, demonstrating the strength of our branded growth model and the resilience of the Group's brands. Whilst in Sweet Treats, we have seen a return to market share growth in the second half of the year.

Link to strategy

Link to risk

2 3 4 8 10

£397m

Revenue from products that meet higher nutritional standards

FY23/24	£397m
FY22/23	£335m
FY21/22	£286m
FY20/21	£320m

Why is this important?

Under our Enriching Life Plan we have set a target to more than double sales of products that meet high nutritional standards (total company branded sales, in £m, of foods scoring less than 4, and drinks scoring less than 1, on the UK Department of Health's Nutrient Profiling Model).

Progress we have made

Over the year, we launched or reformulated 209 products which support high nutritional standards and 142 products which offer an additional health and/or nutrition benefit. This included reducing the level of salt in our *Sharwood's* noodle ranges and extending our *Mr Kipling* Deliciously Good range to include Cherry Bakewell and Loaf Cakes.

Link to strategy

Link to risk

2 3 8

1 Circana value share data for the 52 weeks ended 30 March 2024 and 1 April 2023

Strategy pillars

- Continue to grow the UK core
- Expand UK into new categories
- Inorganic opportunities
- Supply chain investment
- Build international businesses with critical mass

41%

Senior management roles held by females

FY23/24	**41%**
FY22/23	40%
FY21/22	37%
FY20/21	28%

Why is this important?

Under our Enriching Life Plan we are targeting gender balance for our senior management population by 2030. Senior management is defined as the Executive Leadership Team and their direct reports

Progress we have made

Over the year, we have continued to progress our I&D strategy to improve accessibility to leadership roles through enhanced recruitment, development and mentoring programmes. As a result, the number of women within senior leadership rose to 41% as at year-end.

Link to strategy

Supports our Enriching Life Plan

enriching life THROUGH FOOD

Link to risk

9

56,580

Scope 1 and 2 emissions (tCO_2e) – market-based

FY23/24	**56,580**
FY22/23	65,629
FY21/22	37,848
FY20/21	72,913

Why is this important?

Reducing carbon emissions is a key priority under our Enriching Life Plan, as we aim to reduce scope 1 and 2 emissions by 67% by 2030 and achieve net zero carbon emissions by 2040.

Progress we have made

Our total scope 1 and 2 market-based emissions reduced by 13.8% over the year, as a result of improved efficiency from capital investment in projects such as air compressor replacements and on-site solar generation, and the purchase of Renewable Electricity Guarantees of Origin (REGOs).

Link to strategy

Supports our Enriching Life Plan

enriching life THROUGH FOOD

Link to risk

5 6

0.12

RIDDORs

(FY22/23: 0.09 RIDDOR reportable accidents per 100,000 hours worked)

Premier Foods	**0.12**
All UK manufacturing	0.21
UK Food manufacturing	0.50

Why is this important?

Colleague safety is our first priority as a business.

Progress we have made

There was a small increase in RIDDORs in the year, due predominantly to minor injuries, such as slips and trips. We are working with colleagues across the business to address this as a matter of priority over the coming year and targeted improvement plans have been put in place. In addition, a refreshed Health & Safety strategy has been developed and will be rolled out to sites over the course of FY24/25, including enhanced training programmes and Safety Champions.

Link to strategy

Supports our Enriching Life Plan

enriching life THROUGH FOOD

Link to risk

2 4 9

The Enriching Life Plan: our purpose in action

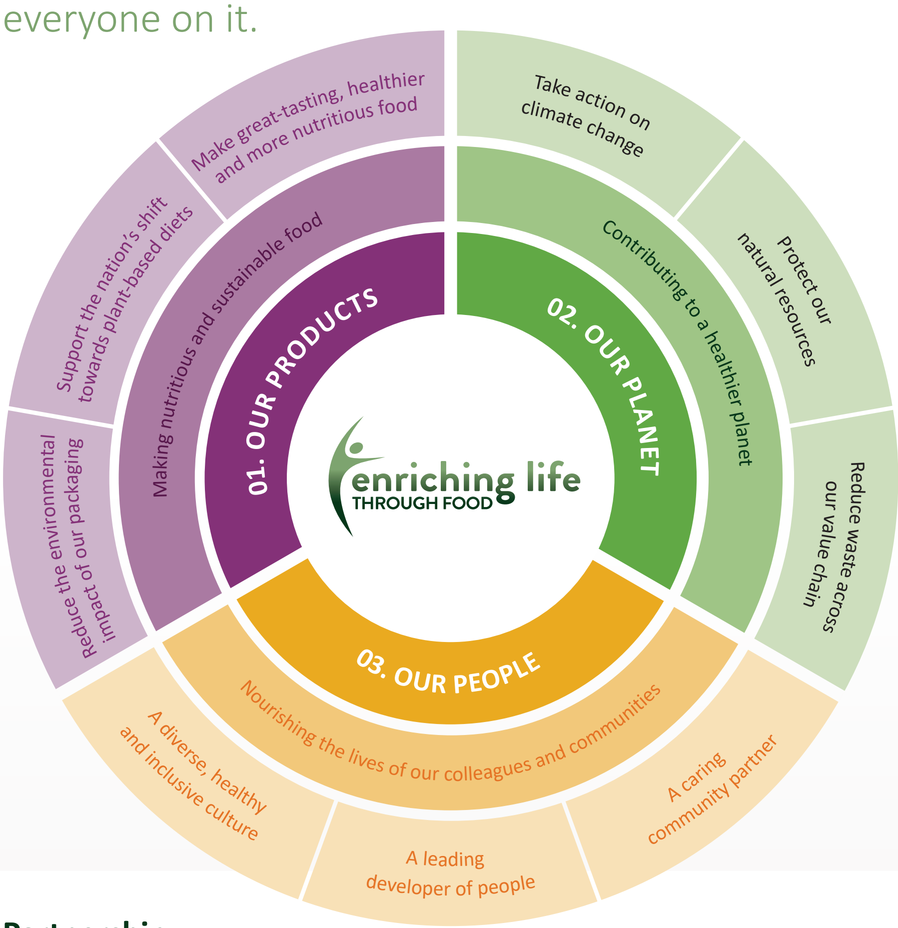
As one of the UK's leading food producers and home to some of the nation's most loved and iconic brands, we have both an opportunity and a responsibility to forge a healthier future for our planet and everyone on it.

Our sustainability strategy, known as our Enriching Life Plan, encompasses everything we touch, from the products we make to the ingredients we source and the communities we operate in.

With our purpose, enriching life through food, at its heart, the plan highlights our commitment to a more sustainable food system and, in turn, the UN Sustainable Development Goals (SDG). Guiding our work to 2030, it sets out our ambitions to make more nutritious and sustainable food, contribute to a healthier planet and nourish the lives of our colleagues and communities.

Working in Partnership

In order to help shape a more sustainable UK food system, we are members of many industry-leading groups which facilitate collaboration and accelerate action. By participating in these initiatives, we hold ourselves accountable against industry-wide targets and strive to contribute to wider change. Where we feel we have a unique contribution to make across the broader industry we engage more, with colleagues currently holding steering group positions on the UK Plastics Pact, The Courtauld Commitment 2030 programme, The Food Data Transparency Partnership and the Food Industry Intelligence Network.



Partnership for our targets

Headline Targets and our support for the UN Sustainable Development Goals*

01 Our Products

More than **double sales** of products that meet **high nutritional standards**

More than **50%** of our products (by Stock Keeping Unit ('SKU')) will provide **additional health or nutrition benefits**

Grow sales of **plant-based products** to **£250m** per annum

100% of our **packaging** will be **reusable, recyclable or compostable** by 2025

02 Our Planet

Reduce **scope 1 and 2 emissions by 67%** and reduce **scope 3 emissions by 25% by 2030** in line with our Science-Based Targets

Target **net zero by 2040 across scope 1 and 2 emissions** and target **net zero scope 3 emissions by 2050**

Deforestation and conversion free across entire supply chain

Halve our **food waste** and support our suppliers and consumers to do the same (against a 2017 baseline)

03 Our People

Achieve **gender balance** in our senior leadership team

Provide skills programmes and **work opportunities for excluded groups** to enable fulfilling careers in the food industry

Provide the equivalent of **1 million meals** per annum to **those in food poverty**

Be more of a force for good in our communities by **volunteering** at least **1,000 colleague days** a year

*All targets are 2030 from a 2020 baseline unless otherwise stated. For more information on all targets and how they are measured, see our Enriching Life Plan disclosure tables from page 182.

Baked-in behaviours

- Excelling in food quality
- Being safe
- Sourcing with care
- Marketing responsibly
- Doing the right thing

Our approach: placing our purpose at the heart of our business

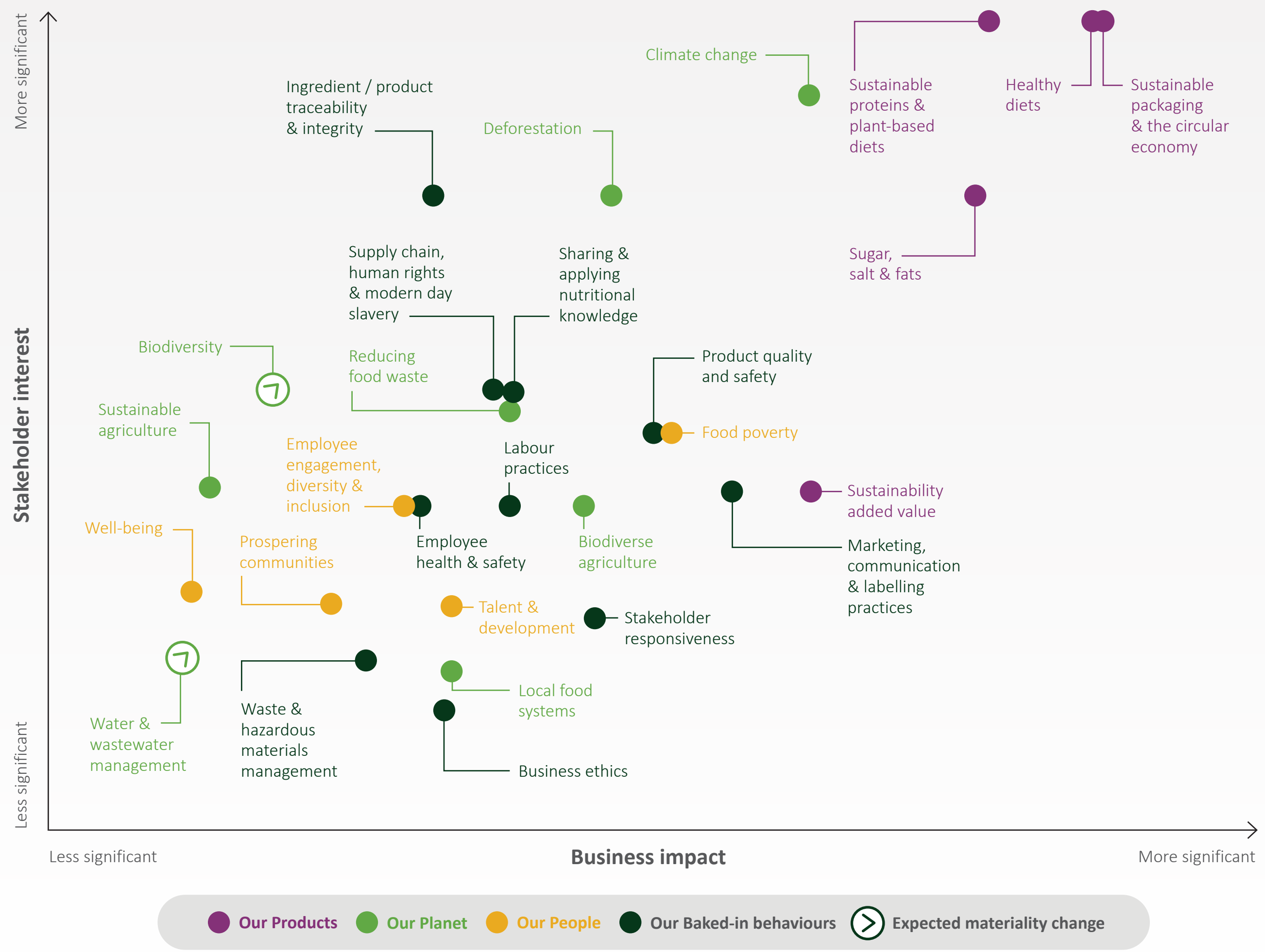
Environmental, social and governance ('ESG') issues are constantly evolving and our strategy is responsive to this, dealing with both changing and emerging threats. As businesses, policy makers, non-governmental organisations, scientists and citizens understand the issues better, new international and national policies, and voluntary and industry frameworks are being developed to help drive action.

Our Enriching Life Plan builds on the findings of our materiality assessment, which considered the views of a broad range of stakeholders, including customers, investors, specialists and colleagues. This helped us to identify and prioritise the issues most relevant to our business and where they should be addressed in our Enriching Life Plan (see graphic).

We will formally repeat our materiality assessment in 2025/26 as we reach the halfway point of our Enriching Life Plan, but to ensure our work continues to adapt to emerging and developing topics, we continually review our priorities and anticipate the emergence of nascent issues which may impact the business.

2023 was declared as the warmest on record and saw an increasing number of examples of extreme weather, coupled with ongoing geopolitical instability around the world. The issues of human rights, food security, water stewardship and the ongoing response to climate change have led to increased prominence of the roles civil society and businesses need to play to address these challenges in the future.

Materiality assessment



Our governance

We believe everyone at Premier Foods plays a part in delivering our Enriching Life Plan. ESG sits at all levels of our business. Our Board has oversight of our strategy, and our Enterprise Risk Management processes ensure oversight of climate-related and other ESG risks (such as TCFD, biodiversity, deforestation, water and human rights).

Accountability for the delivery of our plan rests with our Executive Leadership Team ('ELT') and our Steering Groups which report into our ESG Governance Committee, chaired by our CEO. The committee is made up of members of the ELT, who have responsibility for ensuring our Enriching Life Plan is embedded into how we do business, sponsoring steering groups which are led by members of our Senior Leadership Team ('SLT'). Our CEO and CFO both have the delivery of specific ESG targets in their annual bonus goals. See the Directors' Remuneration Report for more information.

Our disclosure and reporting approach

Holding ourselves accountable against our targets is essential. We publish progress against our Enriching Life Plan annually and details can be found in our Enriching Life Plan disclosure tables from page 182. We remain committed to sharing our data and progress with industry platforms such as the UK Plastics Pact, Courtauld Commitment 2030, Champions 12.3 and the Carbon Disclosure Project ('CDP'). We continue to report against the SASB (Sustainability Accounting Standards Board) disclosure framework for the Food and Beverage sector and for the first time we have published Our journey to net zero which explains how we aim to meet our climate targets. We expect to iterate and evolve our roadmap over time as technologies develop and our pathway to net zero becomes more defined.

We have sought independent limited assurance procedures, for the second year, over selected FY23/24 performance indicators. For the details and results of these assurance procedures, see our Enriching Life Plan disclosure tables.

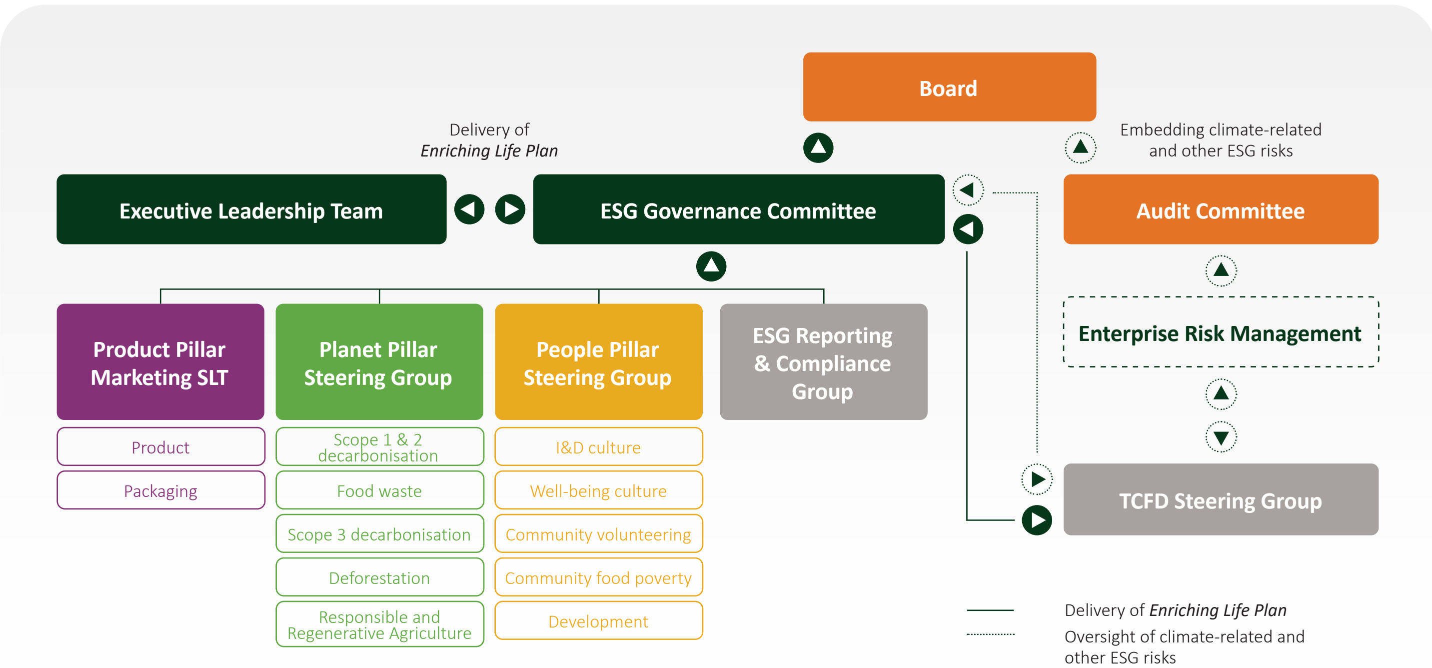
Our responsible approach

Underpinning the three pillars of our Enriching Life Plan sits the broader ethical foundation and framework that makes up our responsible business approach and our commitment to do the right thing, in the right way. Our code of conduct is designed to help us maintain this framework and the trust in all the things we do here at Premier Foods. It encompasses many different aspects, such as speaking up, acting honestly and competing fairly. To be clear about what we stand for in these areas and what we expect from our colleagues, suppliers and partners, the code of conduct directs users to a range of policies which we regularly review to ensure they reflect our drive for continuous improvement. These policies are linked to leading industry and international standards and agreements where possible and serve as a base for our commitment to transparency, integrity and accountability.

We look to maintain awareness and compliance with our code of conduct and wider responsible business practices by conducting regular mandatory staff training on areas such as data protection, anti-bribery and corruption, and the Corporate Criminal Offence legislation amongst others. The anti-bribery and corruption training includes guidance on dealing with third parties, facilitation payments, gifts and hospitality, and charitable and political donations. Our Company policy is to not make any donations to political parties or causes.

Should there be any concern around conduct, there is a formal procedure to allow employees to raise any issues they may have to a confidential whistleblowing helpline, and the details of any such cases are fed back to the Board via the Audit Committee. The whistleblowing service has been expanded to allow anyone who comes into contact with our business, such as customers and suppliers, to raise concerns they may have that cannot be dealt with through the normal channels.

For more detailed information on our policies, please visit the policy section of our website.



Our Products

Making nutritious and sustainable food

The product pillar of our Enriching Life Plan is dedicated to helping consumers lead healthier and more sustainable lifestyles by creating foods which have a higher nutritional value, are kinder to the environment and are free of unnecessary or problematic packaging.

What's at stake?

The UK Government Obesity Report 2023 shows that 64% of adults in England are classified either as obese or overweight. The last UK Government's National Diet & Nutrition Survey reveals that the average person is far from meeting the recommended intake of fibre, while consuming too much saturated fat and, furthermore 20% of adults are in severe vitamin D deficiency. The EAT-Lancet Commission advocates for a shift towards healthier and more plant-based foods to address the needs of a growing population in a world of finite resources.

In 2021, 12.7 million tonnes of packaging was placed on the market in the UK. Packaging plays a key role in the food industry by delivering products to consumers safely. However, if poorly designed, excessively used, or irresponsibly disposed of, it can lead to a range of environmental and social issues.

Our contribution

Keeping our consumers at the heart of everything we do, we strive to democratise nutritious, affordable food and nudge consumers towards healthier and more sustainable diets.

- Over the last year we have launched or changed the recipes of 209 products which support high nutritional standards and 142 products which offer an additional health or nutrition benefit.
- In our top selling *Sharwood's* noodle range, we have reduced the average salt by 16% from 0.31g to 0.26g per 100g since 2017, which meets the UK Government's target for this category.
- While we have increased our range of cooking sauces offering one of your 5-a-day, we have also increased fibre levels and reduced salt. An example is our best seller in Indian sauces, *Sharwood's* Tikka Masala now contains 17% less salt than in 2016.
- We have launched alternatives to more of our iconic *Mr Kipling* cakes which are non-HFSS (not high in fat, salt and sugar) for example Deliciously Good Cherry Bakewell and Loaf Cakes.
- We have changed the recipes of our popular *Angel Delight* desserts (see case study).
- All our single servings of cake and pudding products meet the UK Government's calorie cap, as set out in their sugar reduction programme (2016).
- We have launched 54 products in 2023 in support of our Action on Fibre Pledge with the Food & Drink Federation. Since the programme began in 2022, we have launched 116 products, sales of which have contributed 220 tonnes of total fibre to the UK market in 2023 alone.

To support consumers to make healthier choices, the majority of our UK portfolio of products are labelled using the voluntary front-of-pack traffic light labelling scheme. All products carry energy information and the vast majority also show information on fat, saturates, sugar and salt. We do not market our products to children under 16.

Harnessing the power of our trusted brands, we are supporting our consumers who choose to transition towards more plant-based diets. This year we have gained further distribution for our range of *Plantastic* Quick Meal Pots, including launching a new flavour. We have also launched *Paxo* Rosti cakes and *McDougalls* Vegan Jelly. To raise the profile of these great products we launched a major, cross-brand, 'Veganuary' promotion of our plant-based products in January 2024.

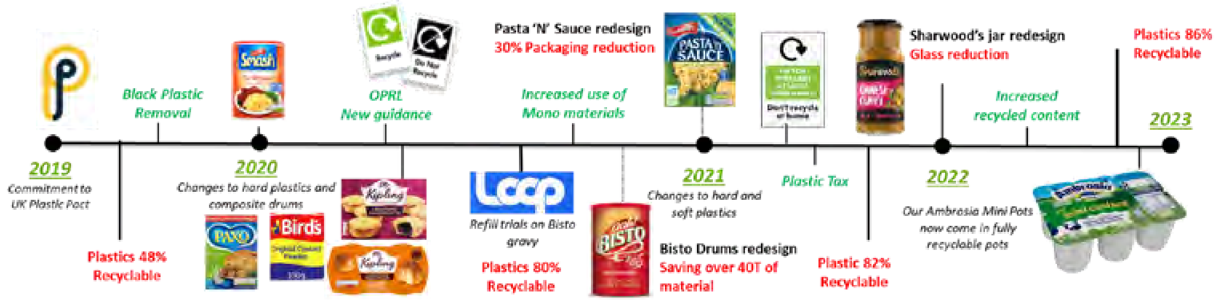
Food quality and safety are a continued focus for our business. All our sites have been awarded grade A or AA+ by the Brand Reputation Compliance Global Standard ('BRCGS') or meet specific customer standards where they vary. We are continually removing more artificial colours and flavours from our brands and we do not add non-naturally occurring trans fats to our products. We also have a policy that we won't use genetically modified organisms in our products. We are founding members of the Food Industry Intelligence Network ('FIIN') to help ensure the integrity of food supply chains and protect the interests of consumers. More information can be found in our Sustainable Accounting Standards Board ('SASB') disclosure on our website.

Packaging plays a vital role in delivering products safely to consumers, but we also recognise the need to reduce its social and environmental impact. We have made significant progress in reducing the amount of packaging we use, making more of that packaging recyclable and helping consumers with clear On Pack Recycling Labels ('OPRL') (see case study). We are a founding member of the UK Plastics Pact and with a place on the steering group we are active in discussions on the direction of the pact once the current commitments come to an end in 2025. Understanding the importance of effective household recycling systems, we are also supporting industry action with the Government on the future of the Extended Producer Responsibility ('EPR') scheme for packaging.

Case Study

Supporting more sustainable packaging

Since joining the UK Plastics Pact, we have reduced our total packaging usage by 23% and increased total packaging recyclability from 91% to 96% and recyclability of plastic packaging from 48% to 86%. We are working hard on the rest of our packaging in collaboration with our suppliers with major investments planned over the next two years. This will leave us with a small number of specialist packaging formats whose technical functionality can't currently be replicated with recyclable alternatives or for which there is no widespread household collection or recycling infrastructure. We will continue to engage with industry and Governments on the future of household collection schemes and recycling infrastructure to help us towards our target of 100% recyclable, reusable or compostable packaging.



Our ambitions, targets and progress

Our ambitions	Our 2030 targets	In-year progress	2030 target progress
Make great-tasting, healthier and more nutritious food	More than double sales of products that meet high nutritional standards.	The Company's branded sales of foods in £m scoring less than 4, and drinks scoring less than 1, on the UK Department of Health's Nutrient Profiling Model has grown by 19%	
	More than 50% of our products (by stock keeping unit) provide additional health or nutrition benefits.	The proportion of products with a health or nutritional benefit has increased from 43% to 44%.	
Support the nation's shift towards plant-based diets	£250m sales in plant-based products made to a vegan recipe.	The sales of plant-based products have grown by 24%.	
	Each core range has a plant-based offering.	A new plant-based recipe has been launched in our Pasta'n'Sauce range, along with new products in cooking sauces and desserts.	
Reduce the environmental impact of our packaging	100% of packaging to be reusable, recyclable or compostable by 2025.	96% of all our packaging and 86% of our plastic packaging is now recyclable.	

All targets are 2030 targets from 2020/21 baseline unless stated otherwise. See our Enriching Life Plan disclosure tables from page 182 for more information.

0. Not started
1. Plans in place
2. Early progress
3. On track
4. Advanced progress
5. Near completion

Case Study

Product innovation to support healthier diets

This year we changed the recipes of our *Angel Delight* whip desserts.

The new recipes of the most popular flavours; Strawberry, Butterscotch and Chocolate, reduced sugar, saturated fat and salt whilst increasing fibre and protein to maintain the great flavours and much-loved texture. These products continue to be free from artificial colours, flavours and preservatives, and now score less than 4 on the Nutrient Profiling Model, used by the UK government.

Our Planet
Contributing to a healthier planet

With strong commitments on tackling climate change and deforestation, improving the sustainability of farming practices and reducing waste, the planet pillar of our Enriching Life Plan contributes to a healthier planet by nurturing the natural resources that we rely on to make our food.

What's at stake?

"Climate change is the defining issue of our time, and we are at a crucial moment. From shifting weather patterns that threaten food production, to rising sea levels and rainfall that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale" (United Nations). Around 30% of greenhouse gas emissions globally are attributable to the food system – encompassing agriculture and land use, processing and transport, through to consumption and food waste. The food industry has a major role to play in helping the food system transition to a more sustainable, resilient future.

Our contribution

Our plan recognises the environmental impact of our operations and our wider supply chain. We have stepped up our actions to limit the effects of climate change and are developing our resilience to climate change (see our TCFD statement). We want to do more to protect natural resources through our supply chain and are strengthening our efforts in tackling food waste.

We understand the need to act quickly and transform our ways of working and have set near-term decarbonisation targets which have been validated by the Science-Based Targets initiative. Through the year we have reduced energy usage and have increased the proportion of renewable electricity we use (see case study below) contributing to a reduction in scope 1 and 2 market-based carbon emissions by 13.8%. See Enriching Life Plan disclosure tables.

Building on previous work to understand the carbon impact of our purchased goods and services we launched a major new supplier engagement programme laying out our requirements of our key suppliers, including setting and delivering against their own science-based decarbonisation targets. More information can be found in Our Suppliers on page 38.

We recognise that we all need to protect the natural resources on which we depend. We are therefore tackling deforestation in the products we source which carry the greatest risks: palm, soy, beef, pulp and cocoa. We continue our work with the Roundtable on Sustainable Palm Oil ('RSPO') and the Round Table on Responsible Soy ('RTRS') to drive supply of sustainable commodities and now have 97% of our directly sourced cocoa certified. Closer to home, we're committed to responsible and regenerative agriculture where it can help us reduce carbon emissions, improve resilience to climate change, help protect natural resources which are at risk and help improve animal welfare. We have laid out minimum standards for key ingredients and packaging suppliers.

Protecting local environments at our operational sites has long been a key commitment and all our sites are certified to ISO 14001. This year we have installed a new DAF (Dissolved Air Flotation) effluent treatment plant to improve the quality of water discharges from our Worksop site. We have also developed an environmental apprentice programme, with the first role in place at our Carlton site. Our sites have sent zero waste to landfill since 2016 and, as signatories to the Food Waste Reduction Roadmap and Champions 12.3, we have long worked on reducing food waste in our operations. This year has seen the development of a new approach to managing key waste streams at our Lifton creamery which has helped reduce our total food waste by around 10.5%.

Case Study

Transitioning to renewable electricity

This year we have increased our use of renewable electricity to 36% through increasing procurement via our sourcing contracts and purchasing Renewable Electricity Guarantees of Origin ('REGOs'). We have made our first major installation of on-site solar generation capacity at our Stoke Bakery. The initial system is forecast to produce around 25% of base requirement at the site with a second, larger phase at the site now being planned. We have also received planning permission for a much bigger installation at our Carlton bakery in Yorkshire, which has now been submitted to the Distribution Network Operator for approval.

Case Study

Innovating our production processes to reduce our energy requirements.

Innovation in the way we make our products will play a key role in helping us achieve our decarbonisation targets, especially where we can reduce the amount of heat, steam and cooling needed to make or cook our products. This year we have successfully trialled a new approach to making icing toppings for our pies, tarts and slices which significantly reduces the amount of heating and cooling required in the process. We are investing in the equipment to use this new process at our Stoke bakery over the coming year, which will significantly reduce the site's use of steam. We are also working with Sheffield Hallam University on the development and testing of new approaches to making cooking sauces which require less energy than current processes and could also lead to better tasting and even more nutritious products.

Our ambitions, targets and progress

Our ambitions	Our 2030 targets	In-year progress	2030 target progress
Taking action on climate change	Reduce scope 1 and 2 market-based emissions by 67% and target net zero by 2040.	Scope 1 and 2 market-based emissions have reduced by around 13.8% against prior year and 22.4% since our baseline year of 2020/21.	
	Reduce scope 3 emissions by 25% and target net zero by 2050.	Launched new requirements on key suppliers to set and deliver against their own science-based targets and share carbon data on the products and services supplied to Premier Foods.	
Protecting our natural resources	Deforestation and conversion free palm and beef supply chains by 2025, and across entire supply chain by 2030.	100% certified direct palm and soy. 97% certified direct cocoa.	
	Champion regenerative agricultural practices for key ingredients.	Over 99% of directly sourced wheat & flour, 100% of directly sourced UK grown sugar beet and 100% of directly sourced UK dairy products meet at least silver standard on the Sustainable Agriculture Farm Sustainability Assessment ('SAI FSA') or equivalent. Launched new requirements on suppliers of key agricultural ingredients.	
Reducing waste across our value chain	Halve our food waste and support our suppliers to do the same.	Food waste in our own operations reduced by 10.5%. Launched new requirements on key suppliers to set and deliver targets aligned to UN SDG 12.3 to halve global food waste.	
	Use the strength of our brands to engage consumers to reduce food waste in the home.	We have again expanded our on-pack programme to raise awareness of the issues of food waste and raise funds for our charity partner FareShare.	

All targets are 2030 targets from 2020/21 baseline unless stated otherwise. See our Enriching Life Plan disclosure tables from page 182 for more information.

0. Not started
1. Plans in place
2. Early progress
3. On track
4. Advanced progress
5. Near completion

Our journey to net zero

	Baseline FY20/21	FY23/24 emissions	2030 Near-term targets	2040 & 2050 Long-term targets
Scope 1 & 2 **(Market-based)**	73k tCO_2e	**57k tCO_2e** **22% reduction**	2030 67% reduction ↓	**2040** Net zero ↓
Scope 3	919k tCO_2e	**756k tCO_2e** **18% reduction**	2030 25% reduction ↓	**2050** Net zero ↓

Decarbonisation focus areas

Supporting the transition to more sustainable lifestyles

- Ensure all key categories have a plant-based product
- Grow plant-based product sales
- Use the power of our brands to promote more sustainable diets
- Support initiatives to reduce food waste in the home and improve recycling of packaging

Operational efficiency and investment in low energy and low carbon operations

- Removing coal from our fuel mix
- New steam generation
- Innovative manufacturing processes
- Upgrading boilers
- Upgrading ovens
- Reducing food waste
- Increase use of recycled packaging materials

100% renewable electricity

- Green electricity tariffs
- On-site generation
- Long-term Private Wire and Corporate Power Purchase Agreements (PPAs)

Supplier engagement

- Key suppliers to have SBTi aligned decarbonisation plans
- Support responsible and regenerative agricultural practices
- Eliminate deforestation and land conversion
- Support suppliers to reduce food waste

Carbon capture and sequestration

- Collaborate with suppliers on in-supply chain carbon capture and sequestration opportunities

Our Suppliers

We aim to give our consumers great tasting products made from quality ingredients. We source a wide range of healthy, natural raw ingredients, packaging, and other services from a range of suppliers in the UK and from markets around the world. Last year we purchased over 265,000 tonnes of food ingredients working with around 245 suppliers. We're developing long-term, sustainable partnerships which deliver mutual benefits, helping to reduce the environmental and social impact of our products and improving the resilience of our supply chain.

We have used the Sedex (Supplier Ethical Data Exchange) programme to support ethical sourcing for many years. 99% of our direct spend on ingredients, packaging and bought in finished goods is with Sedex registered suppliers who have shared their ethical data with Premier Foods. We expect suppliers outside Europe to have completed Sedex Members Ethical Trade Audits ('SMETA').

To go further, we have also launched a major new supplier engagement plan to support suppliers in their activities and help us deliver the objectives of our Enriching Life Plan. This culminated in an event at our Carlton bakery in October attended by our key ESG impact suppliers who make up over 70% of our scope 3 carbon emissions and who also have a major role to play in helping deliver our goals of protecting natural resources, reducing waste and ensuring everyone in our supply chain is treated fairly.

At the event, supported by several leading environmental organisations, we laid out our objectives and our own actions to reduce our environmental and social impact and improve our resilience. Many of our suppliers already have well established sustainability programmes; however others appreciated further direction and support and so we laid out a set of key objectives for all key suppliers and then specific requirements covering areas of deforestation, sustainable and regenerative agriculture, food waste and human rights.

These requirements will form the basis of a new relationship with our key suppliers and will be a key component of our joint business plans in the future. We all face the same challenges, and we can only develop a more resilient supply chain by working together.

In order to better capture and collate information on the progress of our suppliers in the areas which are of most importance to us, and broader ESG performance and risks, we have joined the EcoVadis platform with a significant number of our key suppliers already providing their information.

We are delighted that this work has been recognised with an improvement of our Supplier Engagement Rating from D to B with the Carbon Disclosure Project.

Requirements of all key suppliers

01 Collaborate with relevant industry groups

02 Register and share your data on EcoVadis by mid 2024

03 Complete and share climate and nature related risk assessments by end of 2024

04 Set carbon reductions targets that are validated by SBTi by 2025

05 Provide product level carbon footprint by end 2025

Now & ongoing → 2024 → 2025

Specific requirements dependent on areas of impact

Provide supply chain transparency

- Register & share info on EcoVadis by mid 2024
- Provide supply chain mapping data
- Establish a Human Rights Due Diligence framework by end of 2024
- Share climate & nature related risk assessments by end of 2024

Food Waste

- Sign up to an industry Food Waste Initiative by end of 2024 – setting target to halve Foodwaste by 2030
- Zero food waste sent to landfill by mid 2025
- Move waste up the food & drink waste material hierarchy

Forests

- A Forest Sustainability Policy by end of 2024
- Timebound milestones & targets for Deforestation & Conversion Free (DCF) Supply Chain by end of 2024
- Demonstrate DCF through responsible sourcing toolkit by end of 2024

Regenerative Agriculture

- Achieve minimum sustainability standard for agricultural commodities equal to Bronze SAI Platform Farm Sustainability Assessment by spring 2025
- A water policy which supports increased water stewardship at farmer level within their supply chains by spring 2025
- Reported measure of the water intensity to produce agricultural crops in your supply chains by spring 2025

Our People

Nourishing the lives of our colleagues and communities

Within our People pillar we are building the culture, skills and capabilities needed to help our business, the UK food sector and wider economy thrive and, wherever possible, identifying opportunities to give back to the communities where we operate.

What's at stake?

With a footprint in every region in the UK, food and drink is the UK's largest manufacturing sector, contributing £38bn in Gross Value Added to the economy annually and employing over 472,000 people. As a result, it offers a wide range of opportunities, but this is often overlooked by young talented individuals. Developing home-grown talent, increasing the attractiveness of the industry to prospective employees and improving workforce skills are therefore key priorities for us. Being open to diversity in all its forms allows us to access the widest talent pool, whilst creating an inclusive environment will enable them to excel.

Our contribution

Our aim is that Premier Foods is a place where everyone is welcome, and our colleagues can bring the best version of themselves to work every day.

One of our key objectives is to bring gender balance to senior leadership roles through a range of measures, including the introduction of our new Women in Leadership Programme, our successful sponsorship programme for diverse talent, as well as through our mentoring, reverse mentoring, and coaching programmes. These programmes aim to better understand the challenges faced by diverse talent, providing tools and techniques to break through barriers to progression and promoting equity of opportunity. In light of the Parker Review recommendations published in March 2023, the Group has set an ambition for 7% of senior management (defined as the ELT and their direct reports) to be colleagues from ethnic minorities by December 2027.

To support colleagues with their mental and physical wellbeing we are partnering with Vitality, who run one of the largest health and wellbeing surveys, 'Britain's Healthiest Workplace'. To date we have carried out health assessments at five of our sites, developed strategic plans to support our colleagues and achieved one Silver and four Bronze accreditations. We plan to extend the programme to all of our locations over the next 12 months.

We have a robust Health and Safety management system in place, with all of our manufacturing sites accredited to ISO 45001, and the Board reviews performance at every scheduled meeting. Our 'Talk Safe Be Safe' and 'Total Observation Process' remain internal priorities building on our excellent safety culture across sites. There is an ongoing programme of H&S training for all colleagues through our Safety Leadership Plus and CAREs courses (Championing and Recognising Excellence in Safety) and in 2023, we held our first H&S week. Our RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) rate of 0.12 per 100,000 hours worked is significantly better than the industry average of 0.50.

Our well-established apprenticeship programmes provide fantastic opportunities for our existing colleagues to develop their skills as well as helping us attract new talent into the business. These programmes play an important role in addressing the skills gap faced by our industry, particularly in roles requiring STEM (Science, Technology, Engineering and Maths) skills.

We are delighted to be the first food and drink manufacturer to host engineering T-Level placements. These two-year technical qualifications are an alternative to A-levels and include an industry placement to prepare students for work or further training. Taking on T-Level students is a great way to teach practical skills whilst allowing students to gain qualifications, and they potentially provide a stepping stone into an apprenticeship.

We endeavour to be a caring partner for our colleagues and our local communities. We aim to be a force for good and volunteer our time and expertise to local causes linked to the issues of food insecurity, employability and local environmental quality.

As a food manufacturer, we have an opportunity to help tackle the increasing issue of food insecurity and we are currently in the second year of a five-year partnership with FareShare UK. This encompasses the reduction of food waste at our sites, increased redistribution of surplus stock, commercial partnership campaigns with our retailers, and colleague engagement and fundraising. This year, we provided the equivalent of 949,040 meals to support FareShare and other food insecurity charities. Our colleagues gave 502 days of volunteering at multiple charities and community organisations. In response to global disasters we have contributed £50,000 to the British Red Cross Disaster Relief Fund, enabling them to provide vital support to people impacted by major crises.

As a business, we understand the role we play in protecting and promoting the human rights of all those working in our value chain. We have established a Human Rights Working Group which will be developing a formal Human Rights Due Diligence framework. We have joined the Food Network for Ethical Trade ('FNET'), an organisation formed to collaborate on best practice to identify and act on human rights issues in the food industry. We publish a Modern Slavery Statement, which we update every year.

Case Study

Championing thriving careers in the food industry

Niall joined Premier Foods in 2019 as the Company's first ever packaging development apprentice, reporting into the Grocery R&D team. In 2023 he was named Food and Drink Federation Apprentice of the Year for his contribution to the Company and the way he helped promote careers in the industry. Since finishing his apprenticeship Niall has taken on a permanent technologist role.

Niall's work during his apprenticeship helped deliver a 40-tonne saving in packaging across Premier Foods through optimisation of the *Bisto* drum. He also worked on more sustainable packaging for both the *Paxo* and *Batchelor's* brands, improving recyclability and lowering the carbon footprint.

Throughout his studies Niall was an ambassador for Sheffield Hallam University, supporting other apprentices, and he took part in the 'Technicians: We Make the Difference' programme with Gatsby, promoting apprenticeships and technical careers to other students.

Our ambitions, targets and progress

Our ambitions	Our 2030 targets	In-year progress	2030 target progress
A diverse, healthy and inclusive culture	Gender balance for senior management.	41% of senior management roles are held by females.	
	Diversity KPIs to reflect regional demographics.	Published our annual D&I report internally equipping leaders with data for their areas.	
	All sites achieve platinum level Health and Wellbeing accreditation.	Four sites have now achieved bronze accreditation and one silver.	
A leading developer of people	Provide skills and work opportunities for young and excluded groups.	Levy gifting – We have supported 79 apprenticeships across 41 SMEs since 2020.	
	75% of STEM vacancies filled by internal candidates.	Expanded T-Level programme to Engineering. 70 of our apprentices are in a STEM role. 47% of our STEM vacancies were filled internally.	
	80% of colleagues feel they have opportunity to develop and grow.	60% of colleagues reported via our colleague survey that they have the opportunity to develop and grow.	
A caring community partner	Provide the equivalent of 1 million meals per year to those in food insecurity.	Second year of partnership with FareShare. The equivalent of 949,040 meals donated to FareShare and other food insecurity charities.	
	Be a force for good in our communities by volunteering at least 1,000 days each year.	502 days volunteered by our colleagues to charities and good causes.	

* See our Enriching Life Plan disclosure tables from page 182 for more information.

0. Not started 1. Plans in place 2. Early progress 3. On track 4. Advanced progress 5. Near completion

Case Study

Tackling food insecurity

Working in partnership with our charity partner, FareShare, we are committed to tackling food insecurity. Premier Foods has a target to donate the equivalent of 1 million meals annually by 2030. This year we donated the equivalent of 949,040 meals through 3,905 charities and community groups. This reached people on low or no income, children and families, homeless people, older people, and asylum seekers and refugees. Hexthorpe Primary School, situated in one of Doncaster's most deprived areas, receives Premier Foods donations through FareShare. Twice a week, an average of 12 struggling families collect a food parcel from the school, enabling them access to meals they may not have been able to afford.

Taskforce on Climate-related Financial Disclosures

Introduction and Compliance Statement

We recognise that climate change is one of the most pressing issues facing society, and our collective response over the next decade will determine how broad and deep the impacts of climate change will be. That's why we must continue to work collaboratively to make a greater positive impact. We see it as both a responsibility and an opportunity, to which we are committed to playing our part.

Our Enriching Life Plan lays out a bold set of ambitions and targets, including our response to climate change; ensuring we play our role in the transition to a net zero future and how we can better prepare our business to adapt to the impacts of climate change.

In 2022 we made our first TCFD disclosure that explained our approach to the management of climate-related risks. Over the intervening two years we have strengthened our disclosures and consider it consistent with the listing requirements of LR9.8.6(8) and the recommendations and recommended disclosures from the Taskforce on Climate-related Financial Disclosures ('TCFD'), including the Annex and Guidance published in 2021. The requirements, status and next steps are summarised in each section.

Our TCFD Climate Risk Journey

Year 01

We conducted training and workshops with key business functions to raise awareness of climate-related risks and opportunities. Initial identification of six key risks and opportunities disclosed in first TCFD disclosure. Climate-change risks included in Company's principal risk log.

Year 02

Identified three climate change scenarios and quantified risks associated with changes in consumer demand and disruption in supply due to availability of key ingredient and disruption at manufacturer sites. Strengthened TCFD disclosure.

Year 03

Expanded assessment on the acute and chronic risks associated with supply of key ingredients. Pilots on nature risk assessments. Increased disclosure on the metrics and targets used to measure risk and opportunity to be consistent with all recommendations of TCFD.

Governance

Describe the Board's oversight of climate-related risks and opportunities.

Describe management's role in assessing and managing climate-related risks and opportunities.

Aligned

- We have disclosed our approach to Board oversight and management's role in assessing climate related risks.
- We lay out the skills and experience of our Board and management and how the groups work together.
- We give examples of the issues which have been reviewed and the decisions made by these groups in the year.

Next steps

- We will continue to provide information to the Board and management on the evolution of climate-related risks and opportunities, and their potential impacts on the business.

The Board has overall accountability for our ESG strategy, the Enriching Life Plan, and climate-related risks.

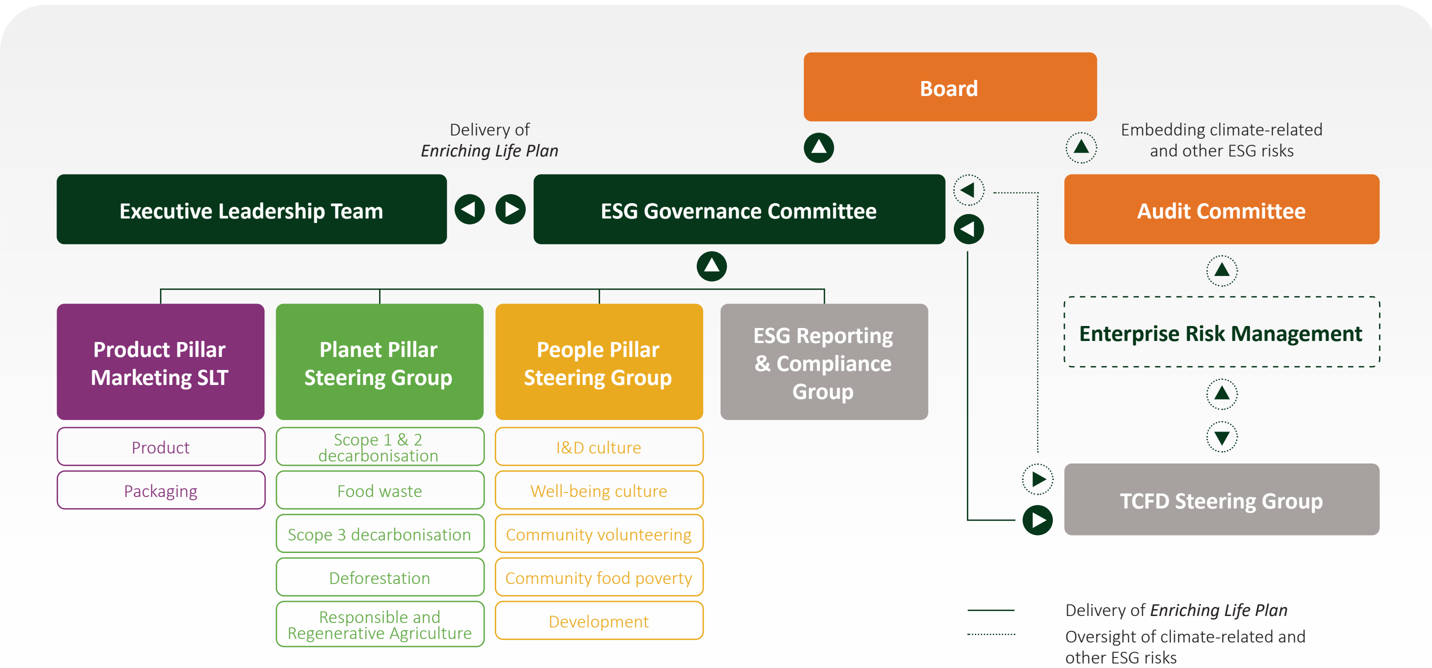
The Board receives presentations twice a year on the business' progress on our Enriching Life Plan and receives updates in the form of dashboard reports on key performance and projects every time they meet. These updates include progress on adopting the recommendations of the Taskforce for Climate-related Financial Disclosures.

Members of the Board have experience from consumer goods, retail companies and government departments with strong track records on climate change and sustainability. Colin Day, the Chair of our Board is a board member at the Department for the Environment and Rural Affairs ('DEFRA'), chairing the DEFRA Audit and Risk Assurance Committee. Helen Jones was the chair of the Sustainability Committee at Halfords plc, and Roisin Donnelly is a member of the Sustainable Business Committee at NatWest Group plc.

The governance structure (see below) ensures that climate-related and other ESG risks are embedded into the Company's Enterprise Risk Management processes which the Board's Audit Committee reviews. A TCFD steering group has been established under the leadership of the CFO, to support the adoption of the framework. The steering group ensures climate-related risks are properly included in our Enterprise Risk Management process and directly updates the Board's Audit Committee. The adoption of the requirements of TCFD forms part of the non-financial annual bonus goals of the CFO who is an Executive Director of the Company.

Climate risks are reviewed by the Audit Committee, as reflected in its Terms of Reference, as part of the risk management process conducted twice a year, and subsequently presented to the Board. Climate risks and ESG matters have also been embedded into the annual review and approval of the Group's five year Strategic Plan and budget approval process, and are taken into account by the Board when making key decisions as part of its responsibility to consider matters under Section 172 of the Companies Act. Examples of this include signing off capital investment plans, including efficiency and resilience projects at our sites, and reviewing progress of the transition of production from Knighton to other plants with a significant impact on our energy usage and fuel mix.

Day-to-day responsibility for managing climate related, and other ESG, risks is delegated to our ESG Governance Committee. Our ESG Governance Committee, is chaired by our CEO and comprises relevant members of the Executive Leadership Team ('ELT'), including the CFO and Corporate Affairs and ESG Director. The ESG Governance Committee meets six times a year and manages all ESG risks. The ESG Governance Committee also includes our ESG Director and subject matter experts across the business. Actions taken by the group during the year include the review of climate related risks and this TCFD statement, approval of our submission for validation of our net zero carbon targets by the Science Based Targets initiative ('SBTi'), review of progress on our decarbonisation plans, review of our deforestation and regenerative agriculture roadmaps, setting new targets for our plant-based products and approval of our new Supplier Engagement programme. Various members of this group have objectives and remuneration which are aligned to our management of climate-related risks and opportunities. For members of the ELT these are covered in the Metrics and Targets section below.



Taskforce on Climate-related Financial Disclosures
continued

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.

Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

Aligned

- We have assessed the most important risks of climate change, and disclosed the findings and where they have an impact on our business strategy.
- We have refreshed modelling of the impact of changes in demand for our products and expanded the modelling of risks associated with the sourcing of key ingredients.
- We have assessed a range of climate scenarios and, where relevant, we have included the impacts in our financial reporting.

Next steps

- We will continue to monitor and develop our understanding of these, and other emerging risks, including updates in future disclosures.

We are proud to manufacture the majority of our products in our dedicated factories across the UK, serving several commercial channels through a range of different routes to market.

These local operations mean we can expect our own business to be affected by the physical and transitional impacts of climate change in the UK. As a food manufacturer, our business relies on a wide range of raw materials, ingredients and packaging items and, whilst much of this is locally sourced, there are a number of complex international supply chains. These international supply chains, along with our commercial expansion into new markets, mean the global effects of climate change will also impact us. We are therefore preparing our business for a range of physical and transitional impacts of climate change, both locally and internationally, which will represent both risks and opportunities for the organisation over the short, medium and long term.

We have carried out several risk identification workshops with colleagues from across our business, which have identified a number of different risks and opportunities due to climate change. In response to the requirements of TCFD, we have prioritised these risks by likelihood and impact, dividing climate risk into two broad categories – physical risk relating to extreme weather events and long-term chronic shifts in global temperatures and precipitation levels, and transition risk pertaining to changes in regulation, pricing, consumer and customer demand changes and reputation. Over the last three years, we have worked with external organisations and our insurance partners to accelerate our understanding of these risks to our business. As part of this process, we have conducted climate risk training and workshops with key business functions, including our sales, marketing, procurement, finance and operational teams. Engaging key stakeholders, these workshops involved building our understanding of climate-related impacts and resilience and understanding the current impacts of climate change to project future risks and opportunities. The output culminated in the identification of six key physical and transition risks and opportunities which had the most significant potential impact on our business strategy. This year, these risks were reviewed with key leaders in the business to confirm they are still the most relevant risks and opportunities for our business. Further assessment was carried out to develop our understanding of the risks. Three scenarios were considered to support this analysis and are summarised in the table below.

Strengthened risk assessments over the last year

- Modelling of the chronic physical risks associated with the availability of key ingredients was expanded to cover 15 key ingredients, accounting for 59% of purchased ingredients by spend, and including those with the most reliance on specific sourcing regions. This analysis considered the impact of climate change over the next 20 years.
- Assessments of the acute physical risks associated with the availability of key ingredients was carried out for the first time, assessing regions responsible for 59% of purchased ingredients by spend. This analysis considered the likelihood and severity of extreme weather events over the next 20 years.
- Modelling was refreshed on the commercial risks associated with changing consumer behaviours and covered all our current product sales in the UK over the next 20 years.
- Assessment on the impact of policy interventions laid out in the UN PRI Inevitable Policy response, including carbon pricing, zero emission vehicles, clean industry and forestry.

Climate Change Scenarios

Early Policy Action: Smooth Transition	Late Policy Action: Disruptive Transition	No Policy Action: Business as Usual
There is early decisive action within society to reduce global emissions, as well as coordinated policy action towards a low carbon economy. The outcome of this scenario, is action sufficient to limit global warming to well below 2°C, aligned to the Paris Agreement.	There is a delay in implementing the policy response required to reduce global emissions.	This scenario highlights the global impact of a failure by governments to introduce policy interventions to limit global emissions. Under this scenario we see global temperatures increase to above a 3-4°C level of warming.
Physical Climate Change Pathway*	**Physical Climate Change Pathway***	**Physical Climate Change Pathway***
RCP2.6	RCP2.6	RCP8.5
Policy landscape**	**Policy landscape****	**Policy landscape****
Delivery of stated UK government policy objectives in the next 5 years. Strengthened, but well-planned, policies for industrial and agricultural decarbonisation from 2029 onwards, informed by the UN PRI Inevitable Policy Response.	Delivery of stated government policy landscape in UK in the next 5-10 years. More severe policy response from around 2034, to compensate for the late transition. Includes several of the policy suggestions from the UN PRI Inevitable Policy Response but at a lower scale and implemented more slowly.	Delivery of stated government policy landscape in UK in the next 5-10 years. Disjointed and ineffective policy response from around 2034.
Commercial and consumer landscape	**Commercial and consumer landscape**	**Commercial and consumer landscape**
The Science Based Targets initiative is widely adopted by our customers, and they encourage suppliers to make progress using commercial arrangements. Consumers increasingly seek out products with sound environmental credentials. Credible product information is available to support consumer choices.	The Science Based Targets initiative is widely adopted by our customers, and they encourage suppliers to make progress using commercial arrangements. Consumers increasingly seek out products with sound environmental credentials. Some product information is available to support consumer choices.	The Science Based Targets initiative is adopted by many of customers, and they encourage suppliers to make progress using commercial arrangements but divergence in approach. Consumers increasingly seek out products with sound environmental credentials. Some product information is available to support consumer choices.

* Representative concentration pathway, as laid out by the International Panel on Climate Change ('IPCC').

** Whilst the business is impacted by EU and local legislation, the UK policy framework is most important given the significance of the UK market to our revenues and as the location of our manufacturing base. The business does not meet the criteria for reporting obligations under the EU Corporate Sustainability Reporting Directive ('CSRD') or the proposed Directive on Corporate Sustainability Due Diligence ('CSDDD')

In all scenarios and for all risks, specific consideration was given to the next five years as this reflects the period covered in our business strategy cycle and therefore key financial planning, statements and disclosures. To align with our enterprise risk management and materiality processes, risks were assessed to determine whether they reached the criteria of a potential impact of greater than £5m in any year in the period of the business strategy cycle.

Taskforce on Climate-related Financial Disclosures
continued

Key physical risks	Unmitigated risk	Time horizon		
Disruption to our operations as a result of acute extreme weather events.	The most significant risk to our sites comes from flooding as a result of intense localised rainfall. Our Lifton site was previously identified as being at risk of flooding from a river bordering the site but investments have already been made to mitigate this risk. The extreme weather experienced during the summer in 2022 helped us identify processes and infrastructure which will be increasingly vulnerable to higher localised rainfall and higher temperatures. In some circumstances, these necessitated temporary changes to working practices in order to maintain production.	Next 5 years	6-10 years	More than 10 years
Changes in the availability, price or quality of key ingredients, as a result of more extreme weather events or chronic changes in climate in sourcing regions.	Our previous analysis identified 1 commodity with a local yield risk in the short-term and 3 commodities with local yield risks in the medium to long-term as a result of the chronic impact of climate change. This analysis was expanded this year to consider the chronic risks for an additional 5 commodities and the acute risk in 9 key sourcing regions. These have identified no new risks in the next 5 years.	Next 5 years	6-10 years	More than 10 years

Key transition risks	Unmitigated risk	Time horizon		
Financial impact of increasing energy costs and carbon pricing.	In all climate scenarios, we assume increases in the pricing of electricity and gas. This is driven by many factors, including, but not limited to, the policies adopted by governments to address climate change. This will impact our own energy prices and also those of suppliers, who will likely seek to recover some of those costs. We have two sites which are currently covered by the UK Emissions Trading Scheme. ('ETS')	Next 5 years	6-10 years	More than 10 years

Addressed in our business strategy	Mitigating actions as part of our strategic planning	Outcome
Supply chain Investment	**Protecting key infrastructure** Investments in flood protection were made at Lifton in 2021 and a review of drainage has been carried out at our Worksop site, resulting in improvements being made. All sites have strengthened their extreme weather protocols, including local site investments to improve local resilience. A resilience workshop was carried out with operational and engineering leaders to better understand risk and resilience insights and best practice, facilitated by our facilities management and insurance partners.	In all scenarios we do not deem this mitigated risk reaches the threshold for materiality in the period covered in our business strategy cycle.
Supply chain Investment	**Supplier collaboration and R&D** We have developed a quantitative yield chronic impact tool, and a new framework for assessing acute risks with a third party which we will monitor regularly to understand evolving risk. We are working closely with suppliers of those commodities identified as at a yield risk, to understand their resilience and mitigation plans. We have laid out a requirement of our key suppliers to provide climate and ESG risk assessments following the TCFD and TNFD frameworks which we will start to use in our work with suppliers and future sourcing decisions. Our actions include sourcing key commodities from other suppliers and regions, and in some cases may lead to product reformulation to broaden the range of ingredients we can use in our products. We seek to minimise the cost of these actions, although in some cases, it may be necessary to include price increases in our commercial strategy. Our programmes to improve ingredients yields and reduce food waste in our own operations will also contribute to our resilience.	In all scenarios we do not deem this mitigated risk reaches the threshold for materiality in the period covered in our business strategy cycle.

Addressed in our business strategy	Mitigating actions as part of our strategic planning	Outcome
Supply chain Investment	**Progressing on our journey to net zero** Our Journey to net zero is laid out on page 38 and includes improvement and investment in low energy and low carbon operations and a transition to 100% renewable electricity which will help mitigate the impact of any changes in electricity and carbon pricing. Our work has a particular focus on sites currently covered by the UK ETS. Developments at these sites may bring emissions below the criteria for involvement in the scheme and therefore represent a financial opportunity.	In all scenarios we do not deem this mitigated risk reaches the threshold for materiality in the period covered in our business strategy cycle.

Time Horizon Key as described on Page 45

Smooth transition

Disruptive transition

Business as usual

Taskforce on Climate-related Financial Disclosures

continued

Key transition risks	Unmitigated risk	Time horizon		
		Next 5 years	6-10 years	More than 10 years
Evolving legislation and regulation could lead to increased business complexity and force changes in key business processes.	Premier Foods operates in a complex regulatory environment, set by local governments and their adoption of global frameworks. Current UK legislation is focused on disclosure and understanding risks which, whilst increasing reporting obligations, will not have material impact on our operations. Governments have objectives to support the transition to a low carbon economy, which will encourage the adoption of new technology and energy sources for manufacturing and transport and will represent opportunities to support our own transition.			

Key commercial opportunities & risks	Unmitigated risk	Time horizon		
		Next 5 years	6-10 years	More than 10 years
Changes in consumers' demand for our products, in the event of changing weather patterns.	Premier Foods produce, market and distribute a range of products which are consumed in a range of situations. Consumption of food and drink is impacted by weather and many of our products have a seasonal demand pattern. Changes in the climate will alter seasonal patterns and, therefore, may change the demand for different types of products. This represents both a risk and an opportunity for Premier Foods, with demand for products traditionally consumed in autumn and winter, potentially under threat from shorter and less severe cold weather, and products consumed in hotter weather, potentially able to exploit increased opportunities from longer and hotter summers.			
Commercial opportunities from supporting customers' and consumers' demands for more sustainable products.	Many of our major customers have their own science-based targets to tackle climate change and have developed strategies to encourage decarbonisation and resilience in their supply chains. These strategies could include the rewarding of positive progress through supplier financing terms, product listings, or collaborative projects. There is also a risk that retailers could penalise suppliers who are not making sufficient progress on addressing issues in their own products and services.			

Addressed in our business strategy	Mitigating actions as part of our strategic planning	Outcome
Supply chain Investment	**Horizon scanning on upcoming legislation and emerging technology** We have strengthened our ESG risk assessment and disclosure standards to prepare for upcoming reporting requirements. Our reporting working group reviews upcoming legislation twice a year to include in our functional plans. Our engineering team reviews emerging low carbon technology, and programmes to support their adoption, for suitability in our applications.	In all scenarios we do not deem this mitigated risk reaches the threshold for materiality in the period covered in our business strategy cycle.

Addressed in our business strategy	Mitigating actions as part of our strategic planning	Outcome
Continue to grow in the UK core Expand UK into new categories Build international businesses with critical mass Inorganic opportunities	**Commercial planning and category expansion** By understanding the factors which impact consumers' purchasing decisions, we are well placed to manage the risk of reduced demand for products at specific times. Our commercial strategy includes expansion into new categories, many of which have different use occasions and are more suitable for warmer weather. Recent examples include breakfast cereals with the acquisition of *FUEL10K* and new products such as barbeque marinades and ice cream.	When considering this risk (excluding the associated opportunities), we do deem that this mitigated risk could reach the threshold for materiality in the period covered in our business strategy cycle and it has therefore been considered in our viability statement.
Continue to grow in the UK core Expand UK into new categories Build international businesses with critical mass Inorganic opportunities	**Strengthening the sustainability credentials of our products and collaboration** Our Enriching Life Plan lays out a wide range of ways in which we are improving the sustainability credentials of our products. Many of these are well aligned to the objectives of our customers. We monitor consumer sentiment to understand the factors that are most important in purchase decisions and are well placed to respond to those opportunities. One particular opportunity is consumers' increasing demand for plant-based products, which is a key part of our commercial plans.	In all scenarios we do not deem this mitigated risk reaches the threshold for materiality in the period covered in our business strategy cycle.

Time Horizon Key as described on **Page 45**

Smooth transition   Disruptive transition   Business as usual

Taskforce on Climate-related Financial Disclosures
continued

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks.

Describe the organisation's processes for managing climate related risks.

Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.

Aligned

- We have disclosed how climate related risks and opportunities are identified, assessed and managed through our Enterprise Risk Management process.

Next steps

- We will continue to improve the management of climate, and other ESG risks, through our Enterprise Risk Management process.

Climate-related risks are identified and managed through our established Enterprise Risk Management framework to identify, assess, mitigate and monitor the key risks we face as a business.

The risk management framework is used to inform our principal, watchlist and emerging risks. Our Internal Audit and ESG teams work closely to update our principal risks as they relate to climate change and climate change is considered as a principal risk. We have taken steps to more formally integrate the identification of climate-related risks into our existing bottom up risk management framework, including training and new templates to ensure their inclusion.

Response strategies are developed for the key risks identified across the business. We use this to define controls and monitor metrics. This will ensure that the appropriate decisions on mitigating, transferring, accepting or controlling the climate-related risks are made. Risk owners from the ELT are assigned and are responsible for embedding our response to risk-related issues in our business strategy.

All key risks are reviewed with risk owners, on a bi-annual basis, to assess and understand the evolution of the risk, and whether our current risk management controls are sufficient. Outputs of this work are then included in the Risk Management sections of each Annual Report.

This year we have made a requirement of our 70 key impact suppliers to provide climate and risk assessments using the TCFD and TNFD frameworks by the end of 2024. This will be used to help inform future risk assessments, mitigation actions and sourcing decisions. We have also carried out a trial of nature risk assessments on three specific UK farms where we source dairy products, apples and parsley. To further understand the specific risks associated with local water availability we have appointed a third party to support assessments at our operational sites with a view to also helping inform future climate and nature risk assessments.

> "It's clear that a changing climate will be one of the trends which will impact the food shoppers want to buy and eat, either through changing eating occasions or through a growing demand for more sustainable products. Our strength in understanding shopper insights and our bold Enriching Life Plan put us in a good position to capitalise on these trends."
>
> **Alex Whitehouse**
> Chief Executive Officer

> "We understand that to best manage the climate related risks and opportunities in the supply of the ingredients we use we will need to work in new ways with our suppliers. The launch of our new supplier engagement programme this year is a key step on developing a more resilient supply chain."
>
> **Gareth Pullan**
> Procurement Director

Metrics and Targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with strategy and risk management process.

Disclose scope 1, scope 2, and, if appropriate scope 3, greenhouse gas ('GHG') emissions, and the related risks.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Aligned

- We disclose the metrics and targets we use to guide our actions, and also where they form part of executive remuneration.
- We disclose our full scope 1, 2 and appropriate scope 3 greenhouse gas emissions.
- We disclose a wide range of other non-financial performance metrics.

Next steps

- We will continue to monitor performance against our targets and develop new targets as new mitigation and adaptation actions are adopted.
- We will continue to strengthen provision of non-financial data to improve its use in decision making and disclosures.

Our performance in reducing greenhouse gas emissions and progress against our science-based targets are key metrics to help us understand our management of climate related risks and opportunities.

A full view of our global energy consumption and greenhouse gas emissions data in line with the UK Government's Streamlined Energy and Carbon reporting ('SECR') Regulations can be found below. In addition, there are a range of other key environmental and commercial performance measures linked to our management of climate related risks and opportunities which are shown in the table below. Many of these, and other important performance indicators, can be found in our Enriching Life disclosure tables and our Sustainable Accounting Standards Board ('SASB') disclosure on our website. We also disclose annually to CDP (formerly the Carbon Disclosure Project). The table shows where members of our Executive Leadership Team have been financially incentivised on the delivery of this target in the 52 weeks ending 30 March 2024. For Executive Directors more information can be found in the Directors' Remuneration Report.

Disclosure and Reporting	Metrics	Target and objective (2030 unless otherwise stated)	Mitigation	Adaptation	Executive remuneration
Data, disclosure and reporting	• Strengthen quality of key ESG data and ensure compliance with all ESG and non-financial disclosure requirements.	• Deliver limited assurance on key ESG non-financial metrics (2023/24). • Disclosure consistent with the recommendations of TCFD (2023/24).	●	●	• Disclosure consistent with the recommendations of TCFD and limited assurance on key ESG non-financial metrics formed part of the objectives of the Chief Finance Officer in the reporting period.

● Mitigating or adaptation action

Taskforce on Climate-related Financial Disclosures

continued

Key physical risks	Metrics	Target and objective (2030 unless otherwise stated)	Mitigation	Adaptation	Executive remuneration
Disruption to our operations as a result of acute extreme weather events.	• Operational performance and service levels (internal measure). • Climate risk score assessing exposure to climate-related risks at our sites provided by our insurance partner (internal measure).	• Customer service levels. • Delivery of our site infrastructure plans.	●	●	• Investing in our sites formed part of the objectives of the Operations Director in the reporting period.

Key physical risks	Metrics	Target (2030 unless otherwise stated)	Mitigation	Adaptation	Executive remuneration
Changes in the availability, price or quality of key ingredients, as a result of more extreme weather events or, chronic changes in climate in sourcing regions.	• Quantitative yield forecast tool developed with third party to understand local and global impact of physical climate change (internal measure). • We are now collecting information from key agricultural suppliers on their compliance against environmental certification schemes. * • We have made a requirement on our key impact suppliers to share their own climate and nature risk assessments using the TCFD and TNFD frameworks. We will track compliance rates and use the findings to strengthen our own disclosures (internal measure).	• Ensuring continuity of supply on key ingredients. • Managing portfolio exposure to yield loss and availability issues through chronic and acute climate-related risks. • Halve our food waste and support our suppliers to do the same.	●	●	• Ensuring continuity of supply for key ingredients formed part of the objectives of the Procurement and Central Operations Director in the reporting period.

● Mitigating or adaptation action

Key transition risks	Metrics	Target and objective (2030 unless otherwise stated)	Mitigation	Adaptation	Executive remuneration
Financial impact of increasing energy costs and carbon pricing.	• Scope 1, 2 and 3 emissions (disclosed below). • Energy usage (disclosed below).	• Reduce scope 1 and 2 emissions by 66.8% and reduce our scope 3 emissions by 25%, all by 2030 (against a 2020 baseline). These targets have been validated by the Science Based Targets initiative. • Net zero in our own operations by 2040 and in our total supply chain by 2050.	●		• Reductions in scopes 1 and 2 emissions formed part of the objectives of the Operations Director in the reporting period.
Evolving legislation and regulation could lead to increased business complexity and forced changes in key business processes.	• Packaging usage and recyclability. * • Food Waste. * • Certification status of key commodities addressing environmental and social risks. *	• Ensure 100% of our packaging is reusable, recyclable or compostable by 2025. • Halve our food waste and support our suppliers to do the same. • Deforestation and conversion free palm and meat by 2025, and across the whole supply chain by 2030.	●	●	• Reducing food waste formed part of the objectives of the Chief Executive Officer and Operations Director in the reporting period.

* Disclosed in our Enriching Life Plan Disclosure tables

Taskforce on Climate-related Financial Disclosures
continued

Key commercial opportunities and risks	Metrics	Target and objective (2030 unless otherwise stated)	Mitigation	Adaptation	Executive remuneration
Changes in consumers' demand for our products in the event of changing weather patterns.	• Internal tool to assess the impact of climate change on the consumption of products in key categories (internal measure).	• Expand UK into new categories and grow international business – ongoing		●	• The commercial performance of new categories and international expansion formed part of the objectives of the Chief Marketing Officer and the Chief Customer Officer in the reporting period.
Commercial opportunities from supporting customers' and consumers' demands for more sustainable products.	• Sales of plant-based products. * • Core product category with a plant-based offerings. * • Packaging usage and recyclability. * • Certification status of key commodities addressing environmental and social risks. * • Customer feedback and consumer insight (internal measure).	• Expand UK into new categories and grow international business (ongoing). • Grow the sales of plant-based products to £250m per annum by 2030. • Ensure each core product category has a plant-based offering by 2030. • Ensure 100% of our packaging is reusable, recyclable or compostable by 2025. • Zero deforestation and conversion free palm and meat by 2025, and across the whole supply chain by 2030.		●	• The commercial performance of new categories and international expansion form part of the objectives of the Chief Marketing Officer and the Chief Customer Officer in the reporting period.

* Disclosed in our Enriching Life Plan disclosure tables.

● Mitigating or adaptation action

2023/24 Streamlined Energy and Carbon Reporting

Premier Foods' GHG emissions are calculated and reported based on the 'The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition' ('GHG Protocol') and the complementary 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard', setting our boundaries to include all key requirements and following an operational control approach. https://www.premierfoods.co.uk/sustainability/our-progress/Premier-Foods-reporting-criteria-for-specified-ESG-performance-metrics-2023-24.pdf

The Greenhouse Gas Protocol (2015) defines location-based Scope 2 emissions as reflecting "the average emissions intensity of grids on which energy consumption occurs" and market-based Scope 2 emissions as reflecting "emissions from electricity that companies have purposefully chosen".

Scope 3 emissions include all relevant categories, using primary data wherever possible. Where primary data isn't available, estimates were made with a choice of assumptions following a conservative approach. Emissions factors were selected from a range of reputable sources, including Ecoinvent 3.8, BEIS 2020 and 2021, Agri-footprint and WFLDB (World Food LCA Database). All emissions values in this report are given in metric tonnes of carbon dioxide equivalent ('tCO_2e').

All of our energy use is based in the UK, we have no manufacturing or office facilities under our control outside of the UK and as such, our Streamlined Energy and Carbon data below is all UK based.

	2023/24	2022/23
Production output and energy usage		
Production Output (tonnes)	290,675	305,449
Total Energy Usage (MWh)	A 247,118	259,555
Total Revenue (£m)	1,122.6	1,006.4
Energy usage intensity (MWh/£m)	220.1	257.9
Scope 1 and 2 greenhouse gas emissions		
Scope 1 Greenhouse Gas Emissions (tCO_2e)	A 34,614	36,668
Scope 2 Greenhouse Gas Emissions – location-based (tCO_2e)	A 15,405	15,081
Scope 2 Greenhouse Gas Emissions – market-based (tCO_2e)	A 21,966	28,961
Total Scope 1 & Scope 2 Greenhouse Gas Emissions – location-based (tCO_2e)	A 50,019	51,749
Total Scope 1 & Scope 2 Greenhouse Gas Emissions Intensity – location-based (tCO_2e/£m)	44.6	51.4
Total Scope 1 & Scope 2 Greenhouse Gas Emissions – market-based (tCO_2e)	A 56,580	65,629
Total Scope 1 & Scope 2 Greenhouse Gas Emissions Intensity – market-based (tCO_2e/£m)	50.4	65.2
Scope 3 greenhouse gas emissions *		
Purchased goods and services (tCO_2e)	622,319	807,319
Upstream transport and distribution (tCO_2e)	34,737	34,960
Downstream transport and distribution (tCO_2e)	38,379	6,930
Other relevant scope 3 emissions (tCO_2e) **	60,509	56,286
Total scope 3 emissions	755,944	905,495

* Scope 3 emissions are based on 2023 calendar year. Improvements have been made to emissions factors used to calculate most categories.

** Includes; capital goods, fuel and energy related activities, waste generated in operations, business travel, employee commuting, and the end of life treatment of sold products (packaging).

Independent assurance

Consistent with the prior period of independent limited assurance activity, PricewaterhouseCoopers LLP ('PwC') has performed an Independent Limited Assurance engagement on selected balances within the 2023/24 data, shown with the symbol A, in accordance with the International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. The Independent Limited Assurance Report can be found on our website https://www.premierfoods.co.uk/sustainability/our-progress/ESG-Disclosure-Assurance-Report-2023-24/accept along with our Methodology Statement – the basis on which the KPIs are calculated and on which the limited assurance is given at the following link https://www.premierfoods.co.uk/sustainability/our-progress/Premier-Foods-reporting-criteria-for-specified-ESG-performance-metrics-2023-24.pdf.

Principal energy efficiency measures taken in 2023/24

As part of our Enriching Life Plan, we have set bold new targets to decarbonise our own operations and support our suppliers to do the same. Energy efficiency is a crucial element of this plan and we have in place a "Smart Energy" programme under the leadership of our Operations Director. The programme coordinates the organisation's work on energy efficiency through site energy councils who are driving short-term behavioural and operational improvement programmes.

Our engineering team is driving long-term investment in new processes and equipment. Projects this year include an update of start-up and shut-down routines for energy intensive equipment, and investments in new LED lighting and air compressors. We have adopted new distribution equipment too with new electric forklift trucks at several sites. To support our transition to renewable electricity we have installed solar panels at our Stoke plant with plans being finalised for a larger installation at our Carlton site.

Both energy use and associated CO_2e emissions are monitored monthly through our internal environmental performance reporting and we are improving the quality of available information by investing in metering equipment. This allows us to more clearly identify improvement opportunities and prioritise them based on their potential benefits.

Operating and financial review

This has been another really strong year for the business with considerable progress across all our key financial metrics and five pillar growth strategy. In the UK, branded revenue increased by 13.6%, accompanied by 29 basis points of market share, as we continued to outperform the market.

Financial results

Overview

£m	FY23/24	FY22/23	% change
Branded revenue	958.1	844.2	13.5%
Non-branded revenue	164.5	131.4	25.2%
Headline revenue	**1,122.6**	**975.6**	**15.1%**
Divisional contribution[2]	253.5	216.2	17.3%
Trading profit[1]	**179.5**	**157.5**	**14.0%**
Trading profit margin	*16.0%*	*16.1%*	*(0.1ppt)*
Adjusted EBITDA[3]	203.9	182.3	11.8%
Adjusted profit before tax[4]	157.9	137.2	15.1%
Adjusted earnings per share[7] (pence)	13.7	12.9	6.4%
Basic earnings per share (pence)	13.0	10.6	22.6%

Headline revenue excludes Knighton Foods, reconciliations are provided in the appendices on pages 60 to 62.

Headline revenue increased by 15.1% to £1,122.6m in FY23/24. Divisional contribution grew by 17.3% to £253.5m and Trading profit increased by 14.0% to £179.5m. Group and corporate costs were higher in the period due to investment to improve planning systems and support strategic priorities, wage and salary inflation and wider management incentive scheme costs. In addition, the prior year included non-repeating income of £3.8m which related to a temporary interruption at a manufacturing site.

Trading profit margins of 16.0% were broadly in line with the prior year. Adjusted profit before tax increased by 15.1%, while adjusted earnings per share grew by 6.4%, reflecting an increase in the UK corporation tax rate from 19% to 25%. Basic earnings per share for FY23/24 increased by 22.6% to 13.0p.

Statutory overview

£m	FY23/24	FY22/23	% change
Grocery			
Branded revenue	740.4	635.3	16.5%
Non-branded revenue	110.0	111.5	(1.4%)
Total revenue	**850.4**	**746.8**	**13.9%**
Sweet Treats			
Branded revenue	217.7	208.9	4.2%
Non-branded revenue	69.4	50.7	36.9%
Total revenue	**287.1**	**259.6**	**10.6%**
Group			
Branded revenue	958.1	844.2	13.5%
Non-branded revenue	179.4	162.2	10.6%
Statutory revenue	**1,137.5**	1,006.4	13.0%
Profit before tax	151.4	112.4	34.7%
Basic earnings per share (pence)	13.0	10.6	22.6%

The table above is presented including revenue from Knighton Foods.

Group revenue on a statutory basis increased by 13.0% in FY23/24, with branded revenue growing by 13.5% and non-branded revenue up 10.6%. Grocery revenue was £850.4m, 13.9% higher than the prior year. Non-branded Grocery revenue declined by (1.4%) to £110.0m as price increases on existing contracts were offset by managed contract exits associated with the closure of Knighton Foods and Charnwood. Commentary on Sweet Treats is provided below.

Trading performance

Grocery

£m	FY23/24	FY22/23	% change
Branded revenue	740.4	635.3	16.5%
Non-branded revenue	95.1	80.7	17.8%
Headline revenue	**835.5**	**716.0**	**16.7%**
Divisional contribution[2]	219.8	189.2	16.2%
Divisional contribution margin	*26.3%*	*26.4%*	*(0.1ppt)*

On a headline basis Grocery revenue increased by 16.7% in the year to £835.5m, with Branded revenue up 16.5% to £740.4m. Non-branded revenue increased by 17.8% to £95.1m largely due to pricing to recover input cost inflation in retailer branded product ranges.

The Group gained market share[13] in its Grocery categories across the year, as its leading brands continue to demonstrate their strength and resilience in what has been a challenging consumer environment. Divisional contribution increased by 16.2% to £219.8m, with margins broadly flat to last year.

In the fourth quarter, Grocery headline revenue increased by 10.3%, with branded growth of 12.4% partly offset by non-branded revenue which was 5.4% lower.

Grocery volumes returned to growth in the fourth quarter, as elasticity effects of price increases dissipated. In the second half of the year, the Group also implemented sharper promotional pricing across a number of its products, such as *Loyd Grossman* cooking sauces and *Batchelors* Super Noodles, which served to strengthen these volume trends.

As the Group has consistently highlighted, its branded growth model generates value by leveraging the strength of its market leading brands, launching insightful new products, supporting its brands with emotionally engaging advertising and building strategic retail partnerships. Effective application of this strategy has resulted in consistent UK branded revenue growth of 5.1% over the last three years.

Growth in the Grocery portfolio was broad based across all brands in the year. The Grocery business's major brands, *Ambrosia*, *Batchelors, Bisto*, *Sharwood's*, *Oxo* and *Loyd Grossman* all benefitted from consumer marketing investment in FY23/24, including through the 'Best Restaurant in Town' campaign, which highlighted great value meal ideas across the Grocery portfolio.

Oxo was a particularly strong performer in the period, benefitting not only from increased brand advertising but also further expansion of new *Oxo* Stock pots. Nissin noodles ranges again enjoyed another great year, delivering revenue growth of over 30%, recording retail sales of nearly £50m[13] and also benefitting from the launch of the Big Soba pots range. *Ambrosia* became a £100m revenue brand for the first time in FY23/24, gaining over 100 basis points of market share, with growth due to both its core range and the launch of *Ambrosia* Deluxe creamed rice in can and pot formats.

Another element of the branded growth model is to build and maintain strong, collaborative partnerships with customers. For example, *Batchelors* extended its successful partnership with DC Warner Brothers in the year, this time through its tie-up with Batman and Aquaman, producing some highly impactful instore execution displays. The Group also extended its partnership with its charity partner, Fareshare, with the 'Win a Dinner, Give a Dinner' campaign, to help fight hunger and address food waste. During the year, the Group's Grocery categories increased total distribution by 1.8%, with Quick Meals, Snack & Soups and Desserts being strong contributors to this growth.

The Group continues to make strong progress expanding into adjacent categories, leveraging the equity of its leading brands, with revenue increasing 72% compared to last year. *Ambrosia* porridge pots again led the way; sales more than doubled year on year and market share increased to 10.2%[14] in a category growing at 19%. During the year, the range was extended with the launch of an Apple & Blueberry variant; it also featured in the main *Ambrosia* 'Moley' television advert and benefitted from outdoor media activity.

Ice-cream also performed well, with revenue growth of over 50%, as it increased distribution in major multiple retailers through ranges under the *Angel Delight* and *Mr Kipling* brands. This will be extended in FY24/25 with the launch of handheld *Angel Delight* ice cream in Butterscotch and Banana flavours.

The Spice Tailor continues to benefit from the Group's commercial capabilities, its category expertise and has a strong set of product innovation plans in the next 12 months, such as stir fry sauces and East Asian meal kits. Instore execution was enhanced in the year with end of aisle displays delivering greater visibility, while the brand also benefitted from digital advertising in both the UK and Australia. Additionally, the brand's returns performance is now running ahead of the Group's original expectations.

The Group acquired *FUEL10K*, the vibrant, protein enriched breakfast brand in October 2023 for an initial consideration of £29.6m. This acquisition expands the Group's nascent presence in the breakfast category, providing the ideal platform to build on the initial success of *Ambrosia* porridge pots. *FUEL10K* has continued to perform well in its first five months with the Group, growing sales and market share and developing further exciting product innovation which will be instore from FY24/25 onwards.

In the fourth quarter of the year, and following a review of operations, the Group announced to colleagues the proposed closure of its Charnwood frozen pizza base business. This closure has since been confirmed, will affect c.60 colleagues and is expected to complete in the first half of FY24/25. Charnwood is an entirely non-branded business and this move reflects the Group's strategic priorities as a brand-focused business.

Sweet Treats

£m	FY23/24	FY22/23	% change
Branded revenue	217.7	208.9	4.2%
Non-branded revenue	69.4	50.7	36.9%
Headline revenue	**287.1**	**259.6**	**10.6%**
Divisional contribution[2]	33.7	27.0	24.8%
Divisional contribution margin	*11.7%*	*10.4%*	*1.3ppts*

Total revenue increased by 10.6% in Sweet Treats, with Branded revenue up 4.2% and non-branded revenue ahead 36.9%. The growth in non-branded was consistently strong throughout the year and was due to a combination of contract wins in pies and tarts and price increases on existing ranges. Divisional contribution increased to £33.7m in Sweet Treats, and margins improved to 11.7%, a 130 basis point improvement on the prior year, reflecting volume recovery assisted by sharper promotional pricing.

In the fourth quarter of the year, Sweet Treats revenue increased by 6.3%, with branded revenue up 5.0% and non-branded revenue ahead 16.7%.

FY23/24 revenue growth for Mr Kipling reflected activity commemorating the King's Coronation, impactful instore brand activation to assist shoppers navigate the cake category with greater ease and a strong promotional campaign in partnership with the Minions franchise. Brand investment in Mr Kipling television advertising featured the new 'Piano' advert, demonstrating the Group's media approach of building emotional connections with consumers.

Operating and financial review
continued

New products launched in the year included Mr Kipling 'Best Ever' Signature mince pies, which received strong consumer reviews while the Signature Brownie Bites range also performed well. As a result of lower levels of input cost inflation in the second half of the year, the Group increased its investment in promotional pricing, which assisted volume recovery.

Cadbury cake revenue grew strongly in the second half, partly due to lapping a softer comparative period and also due to impactful instore brand activation and the relaunch of Crème Egg cake bars.

International

Revenue overseas increased by 12%[8] compared to last year. In-market cake sales in Australia continue to grow, however, as previously disclosed, revenue was impacted by reduced shipping times which in turn led to lower stock holdings in the supply chain.

Ireland delivered a consistently strong year, with broad based growth across many brands; *Ambrosia*, *Bisto* and *Oxo* were particularly strong performers due to continued successful application of the branded growth model and pricing benefits. In Europe, sales of Sharwood's increased reflecting significant new listings in major retailers in Germany and Netherlands.

Building sustainable businesses in the Group's target markets continues to progress well. The Mr Kipling and *Cadbury* cake brands reached a combined record market share in Australia during the year of 16.1%[14] and delivered further retail sales growth. Execution of the Company's branded growth model included Mr Kipling benefitting from TV advertising in the form of the engaging 'Little Thief' advert and also the sponsorship of the Great Australian Bake Off, while new products launched in the period included Caramel Bakewell Tarts and Salted Caramel Slices.

In the USA, the distribution of Mr Kipling to a range of retailers is building well, with more than 3,000 stores now stocking the Group's largest brand across North America, up from c.200 at the start of the year.

Distribution of The Spice Tailor is accelerating strongly; listings have now been agreed with major retailers in ten countries globally, including for over 1,000 stores in the USA and three countries in continental Europe.

Operating profit

Operating profit increased by £45.5m to £177.7m in the year. Trading profit increased by 14.0% to £179.5m, as described above, and brand amortisation of £20.9m was £0.2m higher than the prior year. Net interest on pensions and administrative expenses was a credit of £31.6m (FY22/23: £17.7m credit), due to an interest credit on the opening combined surplus of the pension scheme of £37.2m, partly offset by £5.6m of administrative expenses. Non-trading items[9] of £11.4m were £9.1m lower than the prior year principally due to Knighton closure costs in FY22/23. Impairment of fixed assets and restructuring costs were £4.2m (FY22/23: £3.6m) and £5.3m (FY22/23: £11.1m) respectively and both relate to closures of the Knighton and Charnwood manufacturing sites. Other non-trading items of £1.9m relate primarily to M&A transaction costs.

Finance costs

Net finance cost was £26.3m in FY23/24, compared to £19.8m in the prior year. Net regular interest[5] increased by £1.3m to £21.6m, predominantly due to a higher SONIA rate applicable to the Group's revolving credit and debtors securitisation facilities. Interest on the Group's Senior secured notes of £11.5m were, as expected, in line with the prior year. Other interest payable was £5.2m (FY22/23: £0.6m) the majority of which related to the unwind of both long-term provisions and contingent consideration related to acquisitions. Interest income increased by £2.8m to £3.6m in the year due to higher interest rates on cash reserves.

Taxation

The tax charge for the year was £38.9m (FY22/23: £20.8m) and was largely due to a £37.9m (FY22/23: £21.4m) charge at the domestic income tax rate of 25% (FY22/23: 19%). The increase compared to the prior year is due to an increase in the UK corporation tax rate from 19% to 25% and higher profit before tax. The Group is able to offset a proportion of cash tax payable through available brought forward losses and capital allowances. Following the suspension of pension deficit contributions, which are allowable for tax, ongoing annual cash tax payable is expected to be in the single digit £'millions in the medium term.

Earnings per share

£m	FY23/24	FY22/23	% change
Operating profit	177.7	132.2	34.4%
Net finance cost	(26.3)	(19.8)	(32.8%)
Profit before taxation	**151.4**	**112.4**	**34.7%**
Taxation	(38.9)	(20.8)	87.0%
Profit after taxation	112.5	91.6	22.8%
Average shares in issue (million)	862.4	861.2	0.1%
Basic Earnings per share (pence)	**13.0**	**10.6**	**22.6%**

The Group reported profit before tax of £151.4m in FY23/24, a 34.7% increase on the prior year. Profit after tax was £112.5m, an increase of £20.9m and basic earnings per share was 13.0 pence, an increase of 22.6%.

Cash flow

Net debt as at 30 March 2024 was £235.6m, a reduction of £38.7m compared to the prior year. Net debt / EBITDA reduced from 1.5x to 1.2x during the year, as Adjusted EBITDA[3] increased by 11.8% to £203.9m.

Trading profit was £179.5m, as described above. Depreciation plus software amortisation was £24.4m in the year, resulting in Adjusted EBITDA[3] of £203.9m, 11.8% higher than FY23/24. A £9.0m outflow of working capital, an improved trend on the prior year, was due to higher stock reflecting inflation of both raw materials and finished goods. Pension deficit contribution payments were £33.1m and Pension Trustee and administration costs were £5.6m, totalling a £38.7m cash outflow to the schemes. Non-trading items were £14.4m and related to payments associated with closure of the Knighton manufacturing site and a lease exit of a non-operational site.

On a statutory basis, cash generated from operating activities was £121.7m (FY22/23: £87.2m) after deducting net interest paid of £20.3m (FY22/23: £19.6m). The Group paid Tax of £4.4m in the period (FY22/23: £1.5m).

Cash used in investing activities was £62.1m (FY22/23: £63.8m), of which the acquisition of *FUEL10K* represented £29.3m and capital investment was £32.8m. The Group has a number of opportunities to invest in the business at attractive returns to increase efficiency and innovation. During the year it replaced air compressors across a number of sites which have improved efficiency and also installed solar panels at the Group's Stoke manufacturing site.

In FY24/25, the Group expects to increase its capital investment which will include the development of a new, innovative energy efficient process to manufacture iced-topped cake products and a project to deliver additional capacity for *Ambrosia* porridge pot production reflecting success since launch.

Cash used in financing activities was £20.7m in the year (FY22/23: £14.3m) which included a £12.4m dividend payment to shareholders (FY22/23: £10.3m) and £6.3m purchase of shares to satisfy share awards (FY22/23: £2.5m). A dividend match payment to the Group's pension schemes of £3.8m was also made in the period. As at 30 March 2024, the Group held cash and bank deposits of £102.3m and its £175m revolving credit facility was undrawn.

Pensions

The pension scheme has continued to make strong progress, benefiting from a successful investment strategy for both the RHM and Premier Foods sections since the segregated merger of the scheme in June 2020. On 6 March 2024, the Group announced another major strategic step with the suspension of deficit contribution payments to the pension scheme Trustee with effect from 1 April 2024.

Consequently, the Group will benefit from £33m increased free cash flow for the financial year ending 29 March 2025, and subject to the results of the next triennial valuation, at 31 March 2025, the Group anticipates no further contributions to be payable after this date. Administrative expenses, which are expected to be £5-6m in FY24/25, and the dividend match mechanism remain in place. A full resolution of the pension scheme, where the scheme has fully de-risked, is forecast to take place by the end of 2026.

	30 March 2024			1 April 2023		
IAS 19 Accounting Valuation (£m)	**RHM**	**Premier Foods**	**Combined**	**RHM**	**Premier Foods**	**Combined**
Assets	3,032.0	533.0	3,565.0	3,240.2	552.6	3,792.8
Liabilities	(2,232.8)	(730.7)	(2,963.5)	(2,291.9)	(735.4)	(3,027.3)
Surplus/(Deficit)	**799.2**	**(197.7)**	**601.5**	**948.3**	**(182.8)**	**765.5**
Net of deferred tax (25%)	599.4	(148.3)	451.1	711.2	(137.1)	574.1

The Group's pension scheme reported a combined surplus of £601.5m as at 30 March 2024, a reduction of £164.0m compared to the prior year. This is equivalent to a surplus of £451.1m net of a deferred tax charge of 25.0%. Asset values fell in both sections of the schemes and reduced by £227.8m overall. Of note, the illiquid Credit and Global Credit asset classes were lower in the year. The value of liabilities fell by £63.8m, or 2.1% to £2,963.5m. The applicable discount rate used to value liabilities was unchanged at 4.80% and the RPI inflation rate assumption used was 3.15% (FY22/23: 3.30%). The reduction in assets is greater than the reduction in liabilities due to the scheme being over hedged on an accounting basis and hence as underlying gilt yields increase the assets reduce more than liabilities.

A deferred tax rate of 25.0% is deducted from the IAS19 retirement benefit valuation of the Group's schemes to reflect the fact that pension deficit contributions made to the Group's pension schemes are allowable for tax.

Dividend

Subject to shareholder approval, the directors have proposed a final dividend of 1.728 pence in respect of the 52 weeks ended 30 March 2024 (FY22/23: 1.44p), payable on 26 July 2024 to shareholders on the register at the close of business on 28 June 2024. This represents a 20% increase in the dividend paid per share compared to FY22/23, is ahead of adjusted earnings per share growth, reflecting the confidence we have in the future and is consistent with the Board's progressive dividend approach. The ex-dividend date is 27 June 2024.

Outlook

The Group expects a return to volume driven revenue growth this year, as demonstrated in quarter four, partially offset by a lower price per unit. Further progress in FY24/25 is expected to be delivered across all the Group's strategic pillars, through the application of the Group's proven branded growth model, with expectations for the full year on track. Following the successful de-risking of pension obligations and the suspension of deficit contribution payments, the Group has a number of opportunities to invest in the business at attractive returns to increase efficiency and innovation, while continuing to explore M&A opportunities and apply its progressive approach to dividends.

Duncan Leggett
Chief Financial Officer

16 May 2024

Operating and financial review
continued

Appendices

The Company's preliminary results are presented for the 52 weeks ended 30 March 2024 and the comparative period, 52 weeks ended 1 April 2023. All references to the 'period', unless otherwise stated, are for the 52 weeks ended 30 March 2024 and the comparative period, 52 weeks ended 1 April 2023.

All references to the 'quarter', unless otherwise stated, are for the 13 weeks ended 30 March 2024 and the comparative period, 13 weeks ended 1 April 2023.

Full year and Quarter 4 Revenue

	FY23/24			
Full year revenue (£m)	**Statutory revenue**	**Knighton Foods**	**Headline revenue**	**Headline revenue % change vs prior year**
Grocery				
Branded	740.4		740.4	16.5%
Non-branded	110.0	(14.9)	95.1	17.8%
Total	**850.4**	**(14.9)**	**835.5**	16.7%
Sweet Treats				
Branded	217.7		217.7	4.2%
Non-branded	69.4		69.4	36.9%
Total	**287.1**		**287.1**	10.6%
Group				
Branded	958.1		958.1	13.5%
Non-branded	179.4	(14.9)	164.5	25.2%
Total	**1,137.5**	**(14.9)**	**1,122.6**	15.1%

	FY23/24			
Quarter 4 Revenue (£m)	**Statutory revenue**	**Knighton Foods**	**Headline revenue**	**Headline revenue % change vs prior year**
Grocery				
Branded	198.4		198.4	12.4%
Non-branded	23.4	(1.6)	21.8	(5.4%)
Total	**221.8**	**(1.6)**	**220.2**	10.3%
Sweet Treats				
Branded	57.1		57.1	5.0%
Non-branded	8.2		8.2	16.7%
Total	**65.3**		**65.3**	6.3%
Group				
Branded	255.5		255.5	10.6%
Non-branded	31.6	(1.6)	30.0	(0.1%)
Total	**287.1**	**(1.6)**	**285.5**	9.4%

EBITDA to Operating profit reconciliation (£m)	**FY23/24**	**FY22/23**
Adjusted EBITDA[3]	**203.9**	**182.3**
Depreciation	(19.5)	(19.9)
Software amortisation[10]	(4.9)	(4.9)
Trading profit	**179.5**	**157.5**
Amortisation of brand assets	(20.9)	(20.7)
Fair value movements on foreign exchange & derivative contracts	(1.1)	(1.8)
Net interest on pensions and administrative expenses	31.6	17.7
Non-trading items:		
Impairment of fixed assets	(4.2)	(3.6)
Restructuring costs	(5.3)	(11.1)
Other non-trading items	(1.9)	(5.8)
Operating profit	**177.7**	**132.2**

Finance costs (£m)	FY23/24	FY22/23	Change
Senior secured notes interest	11.5	11.5	–
Bank debt interest – net	8.3	6.9	(1.4)
	19.8	18.4	(1.4)
Amortisation of debt issuance costs	1.8	1.9	0.1
Net regular interest[5]	**21.6**	**20.3**	**(1.3)**
Re-measurement due to discount rate change & contingent consideration	3.9	(1.1)	(5.0)
Other finance cost	0.8	0.6	(0.2)
Net finance cost	**26.3**	**19.8**	**(6.5)**

Adjusted earnings per share (£m)	FY23/24	FY22/23	Change
Trading profit	179.5	157.5	14.0%
Less: Net regular interest[5]	(21.6)	(20.3)	(6.3%)
Adjusted profit before tax	**157.9**	**137.2**	**15.1%**
Less: Notional tax (25%/19%)	(39.5)	(26.1)	(51.4%)
Adjusted profit after tax[6]	118.4	111.1	6.6%
Average shares in issue (millions)	862.4	861.2	0.1%
Adjusted earnings per share (pence)	**13.7**	**12.9**	**6.4%**

Net debt (£m)	
Net debt[11] at 1 April 2023	274.3
Movement in cash	(38.9)
Movement in debt issuance costs	1.3
Movement in lease creditor	(1.1)
Net debt at 30 March 2024	**235.6**
Adjusted EBITDA	203.9
Net debt / Adjusted EBITDA	**1.2x**

Free cash flow (£m)	FY23/24	FY22/23
Trading profit	179.5	157.5
Depreciation & software amortisation	24.4	24.8
Other non-cash items	6.6	4.7
Capital expenditure	(32.8)	(20.0)
Working capital	(9.0)	(24.8)
Operating cash flow[16]	**168.7**	**142.2**
Interest	(20.3)	(19.6)
Pension contributions	(38.7)	(45.1)
Free cash flow[12]	**109.7**	**77.5**
Non-trading items	(14.4)	(8.3)
Net purchase of shares	(6.0)	(1.1)
Financing fees	(0.5)	(0.7)
Taxation	(4.4)	(1.5)
Dividend (including pensions match)	(16.2)	(13.0)
Acquisition	(29.3)	(43.8)
Movement in cash	**38.9**	**9.1**
Proceeds from borrowings	–	–
Net increase in cash and cash equivalents	**38.9**	**9.1**

The following table outlines the basis on which the Group will report Headline revenue, Trading profit and adjusted earnings per share for FY24/25. This includes acquisitions but excludes Revenue and Trading profit from the Charnwood site which will be closed in FY24/25. In FY23/24, all Charnwood revenue was reported in Grocery – Non-branded.

Operating and financial review
continued

Group results ex Charnwood (£m)	FY23/24				
Revenue	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Full Year**
Statutory revenue	235.9	258.2	356.3	287.1	1,137.5
Less: Knighton	(4.8)	(4.9)	(3.6)	(1.6)	(14.9)
Headline revenue (FY23/24 basis)	231.1	253.3	352.7	285.5	1,122.6
Less: Charnwood	(3.9)	(3.8)	(3.1)	(3.1)	(13.9)
Headline revenue (FY24/25 basis)	227.2	249.5	349.6	282.4	1,108.7

Trading profit (£m) to adjusted eps (p)	Half 1	Half 2	Full Year
Trading profit as reported	67.5	112.0	179.5
Less: Charnwood	(0.9)	(1.4)	(2.3)
Headline Trading profit (FY24/25 basis)	66.6	110.6	177.2
Net regular interest	(10.6)	(11.0)	(21.6)
Adjusted profit before tax	56.0	99.6	155.6
Adjusted profit after tax at 25%	42.0	74.7	116.7
Adjusted earnings per share	4.9p	8.6p	13.5p

Notes and definitions of alternative performance measures

The Company uses a number of alternative performance measures to measure and assess the financial performance of the business. The directors believe that these alternative performance measures assist in providing additional useful information on the underlying trends, performance and position of the Group. These alternative performance measures are used by the Group for reporting and planning purposes and it considers them to be helpful indicators for investors to assist them in assessing the strategic progress of the Group.

1. The Group uses Trading profit to review overall Group profitability. Trading profit is defined as profit/(loss) before tax, before net finance costs, amortisation of intangible assets, non-trading items (items requiring separate disclosure by virtue of their nature in order that users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance), fair value movements on foreign exchange and other derivative contracts, net interest on pensions and administration expenses.
2. Divisional contribution refers to Gross Profit less selling, distribution and marketing expenses directly attributable to the relevant business segment.
3. Adjusted EBITDA is Trading profit as defined in (1) above excluding depreciation and software amortisation.
4. Adjusted profit before tax is Trading profit as defined in (1) above less net regular interest.
5. Net regular interest is defined as net finance cost after excluding write-off of financing costs, early redemption fees, other finance cost and other finance income.
6. Adjusted profit after tax is Adjusted profit before tax as defined in (4) above less a notional tax charge of 25.0%.
7. References to Adjusted earnings per share are on a non-diluted basis and is calculated using Adjusted profit after tax as defined in (6) above divided by the weighted average of the number of shares of 862.4 million (52 weeks ended 1 April 2023: 861.2 million).
8. International sales remove the impact of foreign currency fluctuations and adjusts prior year sales to ensure comparability in geographic market destinations. The constant currency calculation is made by adjusting the current year's sales to the same exchange rate as the prior year. The constant currency adjustment is calculated by applying a blended rate.

£m	Reported	Adjustment	Constant currency
FY23/24	70.4	0.4	70.8
FY22/23	63.3	N/A	63.3
Growth %	11.2%	N/A	11.8%

9. Non-trading items have been presented separately throughout the financial statements. These are items that management believes require separate disclosure by virtue of their nature in order that the users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance. In identifying non-trading items, management have applied judgement including whether i) the item is related to underlying trading of the Group; and/or ii) how often the item is expected to occur.
10. Software amortisation is the annual charge related to the amortisation of the Group's software assets during the period.
11. Net debt is defined as total borrowings, less cash and cash equivalents and less capitalised debt issuance costs.
12. Free cash flow is net increase or decrease in cash and cash equivalents excluding proceeds and repayment of borrowings, less dividend payments, disposal proceeds, re-financing fees, net proceeds from share issues, tax, acquisitions and non-trading items.
13. Circana, 52 weeks ended 30 March 2024.
14. Circana, 4 week rolling, 9 March 2024.
15. Acquisition accounting pertaining to *FUEL10K* acquisition can be found in Note 28.
16. Operating cash flow excludes interest and pension contributions.
17. Pension deficit contributions are suspended from 1 April 2024; subject to the results of the next triennial valuation, the Group anticipates no further contributions to be payable after this date.
18. Further details of progress on the Group's Enriching Life Plan can be found on pages 30 to 41.
19. Defined as scoring less than 4 on the UK Government's Nutrient Profiling Model.

Additional notes:

- The directors believe that users of the financial statements are most interested in underlying trading performance and cash generation of the Group. As such intangible brand asset amortisation and impairment are excluded from Trading profit because they are non-cash items.
- Non-trading items have been excluded from Trading profit because they are incremental costs incurred as part of specific initiatives that may distort a user's view of underlying trading performance.
- Net regular interest is used to present the interest charge related to the Group's ongoing financial indebtedness, and therefore excludes non-cash items and other credits/charges which are included in the Group's net finance cost.
- Group & corporate costs refer to group and corporate expenses which are not directly attributable to a reported segment and are disclosed at total Group level.
- In line with accounting standards, the International operating segment, the results of which are aggregated within the Grocery reported segment, are not required to be separately disclosed for reporting purposes.

Risk management

Our approach

We have an established risk management framework to identify, evaluate, mitigate and monitor the risks we face as a business. Our risk management framework incorporates both a top-down and a bottom-up approach, to ensure that we have maximum input from the Board through to operational management, to identify both current and emerging risks that our business faces as we execute our strategy and grow the business. Our Board owns and oversees our risk management programme, with overall responsibility for ensuring that our risks are aligned with our goals and strategic objectives.

The Audit Committee assists the Board in monitoring the effectiveness of our risk management and internal control policies, procedures and systems. The Executive Leadership Team ('ELT') performs a robust risk assessment on a periodic basis and the output from this is routinely reviewed by the Board and the Audit Committee.

Responsibility for risk management is embedded throughout our organisation and our first line of defence remains our colleagues, who have a responsibility to manage day-to-day risk in their areas guided by Group policies, procedures, and controls frameworks. The ELT and ultimately the Executive, ensure that these risks are managed, maintained, reviewed and mitigated according to these frameworks. The Group's Internal Audit function continues to provide assurance over the effectiveness of mitigating controls. While copies of these reports are provided to the ELT to action any necessary control improvements, the Internal Audit function reports directly to the Audit Committee who monitor and challenge management to ensure control improvements are actioned

Risk management framework

Board of Directors

Assess principal risks and set risk appetite. Overall responsibility for maintaining sound risk management and internal controls.

Audit Committee

Set risk management framework. Assess effectiveness of the Group's risk framework and internal controls.

Executive Leadership Team

Implement risk management framework. Assess effectiveness of the Group's risk framework and internal controls.

Risk and Internal Audit

Test internal controls and co-ordinate risk management activity. Provide support to business risk owners and report risk information across the Group.

Operational Management

Own and review operational risks. Operate controls and implement mitigation actions.

Principal risks and uncertainties

The Board has carried out a robust assessment of the principal and emerging risks facing the Group. They include those that we consider most impact our business model (see pages 16 and 17), the delivery of our long-term strategic objectives (see pages 18 and 19), and that would threaten our future performance, solvency or liquidity. These risks and uncertainties (pre-mitigation) are identified in the heatmap on the following page, followed by a more detailed description including key mitigating activities in place to address them on pages 65 to 70.

We have also considered the broadening potential impacts across a number of principal risks including changes in macro-economic pressures and resilience measures along our supply chain. The 'Changes since FY22/23', highlight changes in the profile of our principal risks and/or describe our experience and activity over the last year.

Risk appetite

Our approach is to minimise exposure to reputational, financial and operational risk while accepting and recognising a risk/reward trade-off in pursuit of our strategic and commercial objectives. Risk appetite statements are reviewed routinely by the ELT and approved by the Board to guide the actions that management takes in executing our strategy. As a food manufacturing company, with many well-known brands, the integrity of our business is crucial and cannot be put at risk. Consequently, we have zero tolerance for risks relating to food safety and the health and safety of our employees. In addition, we have set low-risk appetites for a number of other risks such as cyber-security, legal, compliance, environmental and regulatory risks.

Risk management continued

Nonetheless, we operate in a challenging and highly competitive marketplace and as a result we recognise that strategic, commercial and investment risks will be required to seize opportunities and deliver results at pace. We are therefore prepared to make certain managed financial and operational investments in pursuit of growth objectives. Our acceptance of risk is subject to ensuring that potential benefits and risks are fully understood and appropriate measures to mitigate those risks are firstly established.

Emerging risks

The ELT and the Board formally review emerging risks when considering the outputs of the risk management processes. Through both the top-down and bottom-up risk discussions held across the business, we seek to identify changes in existing risks and identify new risks which may have a significant impact. This includes horizon scanning and utilising in-house knowledge and expertise supported by input from external sources, to identify emerging risks for consideration and review. These uncertainties may relate to future economic, regulatory, or environmental changes. Examples include, the further rollout of legislation related to the UK Government's programme to tackle obesity and Extended Producer Responsibility requirements for packaging.

While significant consideration has been given to assessing emerging risks, we have also concluded that these emerging risks are adequately captured across our existing broad set of principal risks and, as a result, no new principal risks are proposed this year.

Future initiatives

We continuously evolve and improve our approach to risk management, in light of the ever-increasing volatility and uncertainty in the external environment. We have engaged the Internal Audit co-source partner to review the Company's risk management processes in FY25 with the intent of further strengthening their operation. In addition, risk plays a key role in the cross-functional team responsible for our approach to the requirements for Task Force on Climate-related Financial Disclosures ('TCFD'), under a dedicated steering group. We continue to embed the selection of the key risks used in our scenario analysis and support the integration of this activity into our ongoing risk processes, so that climate-related considerations become part of our longer-term strategic thinking and decision-making in the business. See pages 42 to 55 for further details on our approach to TCFD.

Risks

1 Macroeconomic and geopolitical instability
2 Impact of government legislation
3 Market and retailer actions
4 Operational integrity
5 Legal compliance
6 Climate risk
7 Technology
8 Product portfolio
9 HR and employee risk
10 Strategy delivery

1 Macroeconomic and geopolitical instability

Link to strategy

Risk and potential impact

Our business has been subject to a period of prolonged uncertainty owing to political and ongoing economic developments. While those risks related to Covid-19 have dissipated and the initial impact of the Russian/Ukrainian war on energy and commodity costs and subsequent spread into broader inflationary pressures have begun to stabilise, we remain cognisant of more recent geopolitical events that could potentially heighten the Group's risk profile.

How we manage it

- We seek to hedge certain key commodities and energy supplies, where appropriate, to manage our exposure to price increases.
- In addition, we actively manage foreign exchange currency volatility through hedging activity and through an ongoing supplier risk management process.
- Our cost-saving and efficiency programmes seek to minimise the impact of inflationary pressures.
- The ELT closely monitors developments related to commodity costs and carefully consider the prices of our products.
- We continually monitor our customer and supplier base for potential exposure to applicable trade sanctions.

Changes since FY22/23

- The overarching risk trend was assessed as moderately declining during the year, in part due to a broader reduction in inflationary pressures for both our suppliers and our customers. We continue to support our consumers through the continued success of our 'Best Restaurant in Town' campaign. In addition, during the second half of FY23/24, we have also lowered the promotional prices of many of our products, as detailed under 'Consumer and market trends' (see pages 14 and 15).

Risk trend

2 Impact of government legislation

Link to strategy

Risk and potential impact

The continued focus on health and obesity may result in a decline in demand for cakes and desserts and/or our share of them, along with the risk of additional complexity and cost as a result of any reformulation efforts. There is an elevated level of media and Government scrutiny on health and obesity. The first phase of the Government legislation restricting promotions of High Fat, Salt or Sugar ('HFSS') products by 'location' became effective from 1 October 2022. It is expected that a second phase of restriction of HFSS products by 'volume' will come into force on 1 October 2025 alongside an 'advertising' restriction.

The UK Government has also introduced a new tax on non-recyclable plastic packaging as part of the reformed Packaging Producer Responsibility Regulations. The introduction of this escalating tax on plastic packaging and any further legislation may adversely impact the products that the Group manufactures. It was announced in July 2023 that the first EPR payment will be deferred to 1 October 2025.

How we manage it

- We have a wide range of product offerings, which includes non-HFSS products, that extend our range of healthier choices, enhance the nutrition profile of our existing core ranges and help consumers to make healthier eating choices. Details can be found in our Enriching Life Plan section on pages 30 to 41.
- We have an ongoing evaluation and development of the brand portfolio and innovation pipeline with a focus on healthier options that help us align with changing consumer preferences (also see Risk 8).
- Our Environmental, Social and Governance ('ESG') Committee, chaired by our CEO, has a range of cross-functional steering groups that are responsible for the delivery of our ESG strategy, including our Packaging Steering Group. This ensures focused efforts, through KPI-driven targets, to optimise our packaging and reduce its environmental impact and mitigate the impact of the tax on non-recyclable packaging. This is achieved by using materials from certified sustainable sources wherever possible, increasing our use of recycled materials, and increasing the recyclability of our packaging. 96% of our packaging, by weight, is recyclable at year-end.

Changes since FY22/23

The risk profile remained stable year-on-year.

The Group continues to actively adapt its strategy in order to support the phases of the UK Government's programme to tackle obesity. This includes continuing to extend the range of non-HFSS products available to consumers.

The UK Government's primary legislation (November 2020) to introduce an escalating tax on plastic material came into effect on 1 April 2022 and the Group has continued its packaging optimisation programme to ensure both the minimisation of packaging and that packaging use is fully recyclable.

Risk trend

Risk management continued

3 Market and retailer actions

Link to strategy

Risk and potential impact

As a primarily UK-based company, our sales are concentrated, predominately with a number of major customers who operate in a highly competitive market. Maintaining strong relationships with our existing customers and building relationships with new customers, and further supported by technology-enabled channels, are critical for our brands to be readily available to our consumers. A failure to do this may impact our ability to obtain competitive pricing and trade terms and/or the availability and presentation of our brands. Actions taken by these retailers (for example, changes in pricing and promotion strategies), may negatively impact our financial performance and can also have an impact on the overall market for our products.

How we manage it

- We have strong relationships with major retailers built on the strength of our brands, our expertise in our categories and shopper insight.
- We have a programme of continuous innovation rooted in consumer insights and designed to build category growth.
- We develop commercial plans with customers that include investment and activation plans.
- We are growing our international business by applying our proven UK branded growth model strategy in target markets, which in time will reduce dependence on the UK market.
- We are investing to build our online channel presence and capabilities.

Changes since FY22/23

- The risk profile remained stable year-on-year.
- We continued to work with all our customers, including category partnerships and range reviews, to match our product offering to consumer needs.
- We recorded growth in branded sales as a result of our strong innovation pipeline, sustained brand investment and close customer partnerships.
- Our international business continued to grow as we focus on the Group's strategic markets.

Risk trend

Strategy pillars

- Continue to grow the UK core
- Supply chain investment
- Expand UK into new categories
- Build international businesses with critical mass
- Inorganic opportunities

Risk trend

- Increase
- No change
- Decrease

4 Operational integrity

Link to strategy

Risk and potential impact	How we manage it	Changes since FY22/23
Delivery of our strategy depends on our ability to minimise operational disruption from issues with facilities and factory infrastructure. Supplier failure, market shortage or an adverse event in our supply chain impacts the sourcing of our products, and the cost of our products is significantly affected by commodity price movements.	• We have business continuity and disaster recovery management processes in place. These are reviewed and refreshed on an ongoing basis. • Appropriate insurance coverage is in place to mitigate the financial impact of material site issues. • We have an appropriately resourced and skilled procurement function that possesses the requisite market and industry knowledge to pinpoint raw material market developments. • Procurement category plans are in place to mitigate against single supplier risk. • Cross-functional teams help to manage any sourcing challenges because of broader macroeconomic factors. • We have robust quality management standards applied and rigorously monitored across our supply chain. • We have an ongoing programme (in conjunction with our insurers) to move our sites into a 'Highly Protected Risk' status. • ELT review resourcing plans to ensure appropriate labour availability across factories, warehouse and transport.	• The risk profile has moderately declined during the year. This was because we continued to improve our operational resilience through various initiatives, including Capex projects that replace existing plant and machinery and provide increased reliability and efficiency. This year we also made several specific investments to enhance our flood and fire defence systems at several of our 'higher-risk' sites. • Our suppliers have continued to supply us with raw materials, packaging and bought-in finished goods, aided by accurate demand forecasting providing forward views of demand planning requirements. • Our Procurement, Operational and Technical teams have also managed to source alternative suppliers for key ingredients where there were potential interruptions to supply. • Our factories continued to maintain production levels through careful management of production capacity and through sourcing and retaining a reliable pool of labour. This was particularly called upon whilst we completed the previously announced closure of our Knighton site and moved key production facilities to our other sites. • We continue to maintain high levels of customer service through our KPI monitoring of key suppliers, despite the disruptions caused in some of our key raw materials markets. **Risk trend** Decrease

Strategy pillars

- Continue to grow the UK core
- Supply chain investment
- Expand UK into new categories
- Build international businesses with critical mass
- Inorganic opportunities

Risk trend

- Increase
- No change
- Decrease

5 Legal compliance

Link to strategy

Risk and potential impact

Our business is subject to many legal and regulatory requirements and we must continuously monitor new and emerging legislation (domestic and international), in areas such as Health and Safety, listing rules, competition law, intellectual property, food safety, labelling regulations and environmental standards. We have also adopted the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ('TCFD'). A more detailed overview of the impact of climate change on our business can be found in the TCFD section on pages 42 to 55.

How we manage it

- We have dedicated Legal and Regulatory teams in place to monitor laws and regulations to ensure compliance, protect intellectual property and defend against litigation, where necessary.
- We work closely with our external advisors and the regulators, government bodies and trade associations regarding current and future legislation which would impact the Group.
- Whistleblowing processes are in place that are routinely tested to ensure that they are fit for purpose.
- We have leading food industry processes in place to manage health and safety and food safety issues (including an ongoing programme of internal and external audits).
- Regular mandatory compliance-related training is in place covering key risk areas.
- As previously described, our ESG Committee oversees various initiatives, including compliance with TCFD recommendations.

Changes since FY22/23

- The risk remained stable year-on-year.
- We have included disclosures on pages 42 to 55 of this report to comply with TCFD recommendations.
- Our risk management framework continues to be enhanced to accommodate and report on climate risks and appropriate disclosures in line with TCFD recommendations.

Risk trend

6 Climate risk

Link to strategy

Risk and potential impact

Climate change has the potential to dramatically change the world in which we live and operate. Tackling climate change, by taking measures to limit its impact to manageable levels, has become a key priority for governments and businesses. As the impacts of climate change become clearer, businesses are looking to understand how this will impact their operations. Through our work to disclose against the requirements of the Task Force for Climate-related Financial Disclosures (TCFD), we have identified risks and opportunities associated with operational disruption, ingredients sourcing, energy pricing, policy changes and changing consumer behaviour.

How we manage it

- Our decarbonisation targets have been submitted to, and approved by, the Science-Based Targets initiative ('SBTi') and are embedded within our Enriching Life Plan. We track progress against our targets in line with our commitments.
- An assessment of the physical risks associated with more extreme weather across the Company's manufacturing sites has been carried out in partnership with our insurance partners, with investments made at our sites to reduce the risk and impact of river and pluvial flooding.
- An assessment of the risk of changes in the availability, price or quality of key ingredients, as a result of acute and chronic changes in the climate in key sourcing regions has been carried out and mitigating actions to reduce the risk of supply issues on key commodities have been identified.
- An assessment of the risk associated with changes in the demand for our products in the event of changing weather patterns has been carried out and considered as part of our commercial planning.

Changes since FY22/23

- Although the impacts of climate change are becoming more visible, they are in line with the scenarios and risk profiles we have assessed over the last two years. The risk has remained stable year-on-year as we continue to make progress against the targets we have set for ourselves under our Enriching Life Plan, and required of us under TCFD.
- Please refer to pages 30 and 41 for an update on our Enriching Life Plan, pages 42 to 55 for our TCFD statement and pages 182 to 189 for our Enriching Life Plan disclosure tables.

Risk trend

7 Technology

Link to strategy

Risk and potential impact	How we manage it	Changes since FY22/23
A successful cyber-attack, or other systems failure, could result in us not being able to manufacture or deliver products, plan our supply chain, pay and receive money, or maintain proper financial control. This could have a major customer, financial, reputational and regulatory impact on our business.	• Our centrally governed IT function continually monitors known and emerging threats with incident response plans in place to manage/ eliminate these risks. • This includes maintaining firewalls and threat detection and response systems with regular penetration testing performed. • Business continuity plans are in place across the business and both these and disaster recovery procedures are tested regularly. • Information and IT policies are in place and are regularly reviewed. Compulsory IT training is regularly run, including internal phishing awareness campaigns, to validate that learning is embedded throughout the organisation. • Our cyber-security strategy and actions are regularly monitored by the Audit Committee and the Board. • We review our cyber-insurance coverage on a regular basis.	• The risk profile has remained stable during the year as we continue to invest in our IT systems to remain protected and match the ever-increasing number and diversity of external security threats. **Risk trend**

8 Product portfolio

Link to strategy

Risk and potential impact	How we manage it	Changes since FY22/23
Consumer preferences, tastes and behaviours change over time. As part of this, consumers' desire for healthier choices and premiumisation are significant trends. Our ability to anticipate these trends, innovate and ensure the relevance of our brands are critical to our competitiveness in the marketplace and our performance. Furthermore, sales of many of the Company's products can be adversely affected by seasonal weather conditions. We may fail to successfully evolve our portfolio to take advantage of growth categories and/or re-invent our core brands to meet consumer needs.	• The Group offers a broad range of branded products across a range of categories and markets which offer a wide choice to the end consumer. • We perform continual assessments of consumers and customer trends and have an insights programme in order to anticipate changes in consumer preferences. This helps us evolve our existing product offerings, as well as identify adjacent product categories to launch into. • We continue to invest heavily in new product development with well-established stage gate controls to ensure we continue to adjust to consumers' requirements. • We continue to review the impact of weather on sales during our monthly product performance reviews. • Our M&A focus is on expanding into higher growth categories.	• The risk remained stable year-on-year. • We continue to expand our product offerings within adjacent categories such as ice cream. • We acquired *FUEL10K*, a differentiated and vibrant breakfast brand. **Risk trend**

Strategy pillars

- Continue to grow the UK core
- Supply chain investment
- Expand UK into new categories
- Build international businesses with critical mass
- Inorganic opportunities

Risk trend

- Increase
- No change
- Decrease

9 HR and employee risk

Link to strategy

Risk and potential impact

The ongoing successful delivery of the Group's strategy depends on having the appropriate number of colleagues (capacity) with the right skills (capability). As economic stability returns, there is risk of losing colleagues to competitors, especially in areas where there is a skills shortage.

How we manage it

- We continue to invest in colleague development and engagement initiatives, including an all-colleague engagement survey. See 'Our purpose, values and culture' on pages 10 and 11.
- We have processes in place to attract diverse talent into the business with the right capabilities and behaviours through our 'in-house' team.
- We have increased our Organisational Design capability to make sure we have the structure to deliver our plans.
- We are developing strategies to focus on developing our own in-demand skills, e.g. engineering.
- We have succession plans in place to retain and progress our internal talent pipeline.
- We have a well-established and successful graduate recruitment and development programme and invest in apprenticeship training.
- We benchmark pay to make sure we remain competitive in the market and, where appropriate, make changes to our offering.

Changes since FY22/23

- The risk profile remained stable year-on-year, albeit individual HR and employee risk elements that amalgamate to the principal risk have varied.
- We continue to maintain a strong commercial focus on process and cost improvement to manage and mitigate the increased cost of labour.
- In addition, we maintain Group-wide communication tools as well as holding quarterly Town-Hall meetings to ensure colleagues are briefed on new strategic initiatives that will grow the Company.

Risk trend

10 Strategy delivery

Link to strategy

Risk and potential impact

Our five-pillar strategy, as set out on pages 18 and 19, is at the core of how we run our business. The strategy focuses on continuing to grow the UK core, investing in our supply chain, expanding into new categories as well as building our international business. In addition, we seek acquisitions where we can leverage strong synergies with our existing categories to enable us to further accelerate our growth. Failure to timely deliver our strategy may result in taking longer than expected to deliver results, which may impact the speed at which we can deliver shareholder value.

How we manage it

- We continue to seek inorganic opportunities expanding our product portfolio through acquisitions and applying our brand building and commercial expertise to create further value.
- Reflecting the seasonal nature of many of our brands, media investment is targeted in periods of peak consumer demand and through the most cost-effective channels.
- Our new and existing product development programmes are based on deep consumer insight and continue to make our product ranges more relevant to the ever-changing lives of our consumers, particularly focusing on health and nutrition.

Changes since FY22/23

- The risk profile remained stable during the year.
- Following *The Spice Tailor* acquisition, we acquired *FUEL10K* during the year. We have followed a rigorous integration programme to ensure the benefits of the acquisition are fully realised.
- Our branded growth strategy for delivering new product innovation based on consumer trends together with high-quality advertising behind our major brands continues to deliver.
- We continued to leverage our branded growth model in the Group's strategic markets.

Risk trend

Viability statement

The directors, in accordance with provision 31 of the UK Corporate Governance Code 2018, have assessed the viability of the Group, taking into account the current financial position, the Group's strategic and financial plan, and the potential impact on profitability, liquidity and key financial ratios of the principal risks documented on pages 63 to 70. These factors have also been carefully assessed in light of the global political uncertainty driven by current conflict and a prolonged period of inflation.

The directors have determined that five years is the most appropriate period to assess viability over, this timeframe is consistent with the way the Board views the development of the business over the medium term, and is appropriate for both business planning and measuring performance. The directors also considered the consistent business performance, nature of the Group's activities and the degree to which the business changes and evolves given the dynamic nature of the FMCG sector when determining the assessment period.

In order to report on the viability of the Group, the directors reviewed the overall funding capacity and headroom available to withstand severe but plausible events and carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This assessment also included reviewing mitigating actions in respect of each principal risk.

The starting point for the viability assessment is the Group's strategic plan, which was updated and signed off by the Board in February 2024. Sensitivity analysis was applied to this base financial information and the projected cash flows were stress tested against a number of severe but plausible scenarios, the viability assessment being an extension of the going concern assessment (see note 2.1 of the financial statements). As of 30 March 2024, £175m of committed borrowing facilities available to the Group were undrawn. The Board reviewed the level of performance that would cause the Group to breach its debt covenants and considered all of the principal risks, focusing on those which have the potential to materially reduce Trading profit or adversely impact the Group's liquidity. The risks considered to have the greatest potential impact have been modelled in the downside scenarios, further detail of which are shown in the table on page 72.

Consideration has been given to the impact of climate change which identified an increase in costs of external specialists, capital investment and regulatory requirement within the assessment period, best estimates for which are included in the Group's strategic plan and a sensitivity was modelled as discussed above. An in-depth assessment of climate risk continues and whilst this work remains ongoing it is not believed that the climate related risks would have a significant impact on the business within the five year viability review period. See pages 42 to 55 for an overview of the work related to TCFD.

Viability statement continued

In assessing the Group's viability, the Board also considered all the severe but plausible scenarios simultaneously materialising and for a sustained period, in conjunction with mitigating actions such as reducing discretionary costs and capital investment. The likelihood of the Group having insufficient resources to meet its financial obligations and breach its covenants is unlikely under this scenario.

In addition, a reverse stress test was conducted to identify the magnitude of Trading profit decline required before the Group breaches its debt covenant, which indicates that a Trading profit decline of broadly half in each year of the five year review period is required to breach covenants, which is considered extreme and not plausible.

Based on this assessment, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 March 2029.

Risk assumptions modelled	Action taken	Link to principal risks[1]
Materials, packaging, utilities and supply chain inflation in the market place[2].	We have modelled further inflation in the market place, increasing input costs, we have assumed that this is not all recovered with an adverse impact on volume and margin.	1 3 4
A cyber-attack shuts down the operating systems temporarily stopping production[2].	We have modelled production stopping at all manufacturing sites for two weeks in the viability review period, with the associated loss of sales due to the halt in production, and taking into account the levels of stock held.	7
Climate change: impact on revenue[2].	We have modelled the expected reduction in revenue anticipated if Representative Concentration Pathway ('RCP') 8.5 were followed.	6 8
Managing human resources in response to unplanned events[2].	We have modelled disruption to our supply chain due to the outbreak of an infectious disease which drives labour shortages or outbreaks leading to half of our manufacturing sites being closed for a one-week period on two occasions during the review window, including the associated loss of sales, and taking into account the levels of stock held.	4 7 9
Retailer strategy results in margin dilution[2].	We have modelled a reduction in gross margin for our UK business over the viability review period.	1 3 10

1 For risks see pages 63 to 70.

2 Risk impact included in the Going Concern 12-month review period.

Non-financial and sustainability information statement

This statement, along with the information incorporated by cross-reference, complies with the non-financial reporting requirements set out in Sections 414CA and 414CB of the Companies Act 2006.

This section on our Enriching Life Plan fulfils the requirements under Section 414CB of the Companies Act for content on environmental matters, our employees, social matters and non-financial key performance indicators. Further information on climate related targets can be found on pages 30 to 41.

Information on human rights can be found on page 118.

Content on anti-bribery and corruption can be found on page 118.

Our business model can be found on pages 16 and 17.

Principal risks and how they are managed can be found on pages 63 to 70.

The section 172(1) statement is set out on pages 84 to 87.

The strategic report, set out on pages 09 to 72, has been approved by the Board.

By order of the Board

Simon Rose
General Counsel & Company Secretary

16 May 2024

Governance

Governance framework

How our governance framework supports the delivery of the Group's strategic objectives

Our governance framework facilitates effective, entrepreneurial and prudent management that promotes the long-term success of the Group. It also generates value for shareholders and contributes to all our stakeholders whether customers, consumers, suppliers, employees, the government or wider society. The Board of directors is responsible for the governance of the Group, including providing oversight of the Group's purpose, strategy, values, and the approach to ESG matters. It provides the leadership to put them into effect, supervising the management of the business, monitoring performance, and reporting to shareholders on their stewardship.

Shareholders

Shareholders and other stakeholders

Board

Group Chair

The Group Chair is responsible for the leadership of the Board, ensuring its effectiveness and promoting the highest standards of corporate governance. He chairs Board meetings, ensuring timely and accurate distribution of information and full review and discussion of agenda items.

Senior Independent Director ('SID')

The SID supports the Group Chair and leads the non-executive directors in the oversight of the Group Chair. He is also available to shareholders if they have concerns that cannot be raised through normal channels.

Committees

Nomination Committee

Responsible for Board appointments, succession planning and reviewing the structure, size and composition of the Board, ensuring that there is a healthy balance of skills, knowledge, experience and diversity on the Board. Provides oversight of inclusion and diversity, talent management and succession planning for the wider Group.

Further information can be found on pages 88 to 90.

Company Secretary and Internal Audit

Company Secretary

The role of the Company Secretary is to ensure that there is an effective flow of information between executive management and the Group Chair and NEDs. The Company Secretary also advises the Board on legal and governance matters and supports the Board evaluation process and induction programme.

Management

Executive Leadership Team ('ELT')

The Board delegates day-to-day responsibility for managing the business to the ELT and its sub-committees. The ELT comprises of the heads of the commercial business units and corporate functions. The ELT meets on a monthly basis, with weekly follow ups. Members of the ELT also regularly present to the Board.

Non-executive directors ('NEDs')

The NEDs bring a range of knowledge and experience to the Board. Their role is to use their experience, objectivity and sound judgement to scrutinise and challenge executive management's plans and performance and the development of the Group's vision, values and strategy.

Workforce Engagement NED

The Workforce Engagement NED's role is to engage with colleagues across the business to ensure their views and concerns are brought to the Board and taken into account by the directors, particularly when they are making decisions that could affect the workforce.

Chief Executive Officer ('CEO')

The CEO is responsible for the day-to-day management of the Group, working with the Executive Leadership Team to ensure the implementation of the agreed strategy.

Chief Financial Officer ('CFO')

The CFO has responsibility for developing and implementing the Group's financial strategies, financial risk management, treasury, investor relations and pensions strategy.

Audit Committee

Monitors the integrity of the Group's external reporting and provides oversight and governance of the Group's Internal Audit team, internal controls, risk management and the relationship with the external auditors. The committee also monitors compliance with the Task Force on Climate-related Financial Disclosures ('TCFD') reporting regulations and provides oversight of the Group's whistleblowing procedures.

Further information can be found on pages 91 to 95.

Remuneration Committee

Responsible for setting the Directors' Remuneration Policy and the remuneration for the Group Chair, executive directors and senior management, to ensure that it is aligned with the Group's strategic objectives and culture, and oversight of the remuneration of the wider workforce.

Further information can be found on pages 96 to 115.

Internal Audit

Internal Audit is responsible for providing the Audit Committee and Board with independent assurance that the Group's internal control and risk management processes are operating effectively.

ESG Governance Committee

Chaired by the CEO and including members of the ELT, the committee is responsible for setting the Group's ESG strategy, monitoring performance and ensuring ESG is embedded into the way the business operates.

Further information can be found on page 33.

TCFD Steering Group

Responsible for assessing and managing climate-related risks and opportunities and embedding the TCFD framework across the business.

Further information can be found on page 42.

Inclusion and Diversity Steering Group

Responsible for implementing and reviewing the Group's approach to inclusion and diversity.

Further information can be found on pages 10 and 11.

Board of directors

Colin Day
Non-executive Group Chair

Appointed to the Board
August 2019 (appointed Nomination Committee Chair in August 2019)

Skills and experience
Colin was previously Chief Financial Officer at Aegis Group plc and then Reckitt Benckiser plc before spending six years as Chief Executive of Essentra plc. He has served as a non-executive director on the boards of major listed UK businesses, including Amec Foster Wheeler, WPP, Cadbury, Imperial Brands, easyJet, Meggitt and Euromoney Institutional Investor.

Colin is currently a board member of the Department for Environment, Food and Rural Affairs ('Defra') and chairs the Defra Audit and Risk Assurance Committee. He is a non-executive director and Audit Committee Chair at S4 Capital plc and a non-executive director of FM Global. He is also a member of the Board and Finance Committee of Cranfield University.

Colin is a Fellow of the Association of Chartered Certified Accountants and has an MBA from Cranfield School of Management.

N

Alex Whitehouse
Chief Executive Officer

Appointed to the Board
August 2019

Skills and experience
Alex joined the Company in July 2014, holding the positions of Managing Director of the Grocery Strategic Business Unit and then UK Managing Director before his appointment as Chief Executive Officer. Alex has significant senior international, marketing, sales, strategy, innovation and general management experience gained across multiple geographies. He spent 18 years with Reckitt Benckiser plc, where he held senior leadership roles, including Managing Director, New Zealand and Worldwide Head of Shopper and Customer Marketing. Earlier in his career, he held a number of retail management positions with Whitbread plc.

Duncan Leggett
Chief Financial Officer

Appointed to the Board
December 2019

Skills and experience
Duncan joined the Company in September 2011 and has held a number of senior roles within finance, including Group Financial Controller and Director of Financial Control and Corporate Development. Prior to joining the Company, Duncan spent nine years at KPMG, working with clients across a variety of industries. Duncan's responsibilities include operational and corporate finance, corporate development, investor relations, treasury and pensions. He is a qualified Chartered Accountant.

Richard Hodgson
Senior Independent Director

Appointed to the Board
January 2015 (appointed SID in May 2019)

Skills and experience
Richard is Chief Executive Officer of The SnowFox Group and has over 20 years' experience in the food industry. He was Chief Executive Officer at Pizza Express, and held roles as Commercial Director at Waitrose and Morrisons, the latter being a newly created role combining Trading and Marketing. Prior to that, Richard spent 10 years at Asda in senior positions before being appointed as Marketing & Own Brand Director.

R N I

Roisin Donnelly
Non-executive director

Appointed to the Board
May 2022

Skills and experience
Roisin has over 30 years' marketing and brand building experience, gained at Procter and Gamble, where she was responsible for a large portfolio of leading consumer brands within the UK, Europe, EMEA and the Americas. Most recently, she spent 12 years as Chief Marketing Officer, UK and Ireland, and then two years in the same role for Northern Europe. Roisin has served as a non-executive director of Just Eat plc, Holland & Barrett Ltd, Homeserve plc and Bourne Leisure Ltd. She is currently a non-executive director of NatWest Group plc and Sage Group Plc, and also a member of the Digital Advisory Board of Coca-Cola Europacific Partners.

A R I

Tim Elliott
Non-executive director

Appointed to the Board
May 2020 (appointed Audit Committee Chair in July 2023)

Skills and experience
Tim has nearly 40 years' experience in investment banking and corporate finance, advising a wide range of companies and industries, particularly those in the consumer and retail sectors. During his career, Tim held Managing Director roles at both Barclays Capital and JP Morgan and, more latterly, was a Partner and Consultant at KPMG. Tim has deep knowledge and experience of capital markets and is currently Senior Advisor at Alvarez & Marsal LLP.

A R I

Tania Howarth
Non-executive director

Appointed to the Board
March 2022

Skills and experience
Tania has extensive senior executive experience from her roles across global FMCG businesses. She was Chief Operating Officer of Nomad Foods, a European frozen foods business listed on the NYSE, with household brands such as Birds Eye, Findus and Iglo. During her 10-year tenure, she had responsibility for Supply Chain, Quality, HR, IT and M&A integration. Prior to this, Tania was CIO for Coca-Cola's European and African businesses and spent nine years at Walkers Snack Foods, latterly as CIO. Tania is an advisor to the Private Equity business within Goldman Sachs Asset Management and a member of the Technology Advisory Board at NatWest Group plc.

A N I

Helen Jones
Non-executive director

Appointed to the Board
May 2020 (appointed Workforce Engagement NED in September 2020 and Remuneration Committee Chair in July 2022)

Skills and experience
Helen has over 35 years of commercial and general management experience within FMCG and multi-site consumer businesses. During her executive career, Helen was Group Executive Director of Caffe Nero Group Ltd and Managing Director of Zizzi restaurants. Prior to this, Helen spent nine years at Unilever, having previously been the successful architect for the launch of the Ben & Jerry's brand in the UK and Europe. Helen is currently non-executive director and Remuneration Committee Chair of THG PLC, Fuller, Smith & Turner plc and Virgin Wines UK PLC.

R I

Yuichiro Kogo
Non-executive director

Appointed to the Board
March 2021

Skills and experience
Yuichiro is General Manager, Corporate Planning Division, of Nissin Foods Holdings Co., Ltd ('Nissin') and is responsible for devising Nissin's M&A strategy, as well as originating and executing business alliance and investment transactions. Prior to joining Nissin, he was Vice President at the Investment Banking Division of Goldman Sachs Japan Co., Ltd. During his nine years at the firm, his key responsibilities included execution of global equity/debt financing transactions, as well as coverage of corporate clients across multiple industry sectors, including technology, steel and natural resources. Yuichiro received a BA in Economics from Keio University and an MBA from the University of Chicago.

Lorna Tilbian
Non-executive director

Appointed to the Board
April 2022

Skills and experience
Lorna has extensive experience as an equity analyst covering the media sector and an investment banker with strong financial analysis and leadership skills. During her career, Lorna was executive director and Head of the Media Sector at Numis Corporation PLC. She was a founder of Numis, having previously worked at Sheppards as a director at SG Warburg and an executive director of WestLB Panmure. Lorna is executive Chair of Dowgate Capital Ltd, sits on the Board of Dowgate Wealth Ltd and is a non-executive director of Rightmove plc, Finsbury Growth & Income Trust plc and ProVen VCT plc.

N I

Committee membership
- A Audit Committee
- R Remuneration Committee
- N Nomination Committee
- Committee Chair
- I Independent

Governance overview

Group Chair's introduction

Dear shareholder,

On behalf of the Board, I would like to introduce the Group's corporate governance statement for FY23/24.

Board leadership

The Board leads the Group's governance structure. It provides stewardship of the Company with the purpose of safeguarding its long-term sustainable success, creating value for the Group's shareholders and other stakeholders, and enabling the Group to make a positive contribution to the communities and wider societies in which it operates.

Group strategy

The Board has an important role to play in reviewing and approving the Group's strategy, and in providing effective oversight of the implementation of the key elements of the strategy in order to deliver long-term sustainable growth. The Board also received regular strategy updates from key members of management throughout the year, and is pleased to note that significant progress has been made against all five strategic pillars. In February 2024, the Board reviewed the Group's five-year strategic plan, the key steps to deliver the stretching growth plans and the organisational design needed to implement it. As set out on pages 18 to 21, significant focus is placed on strategic development and implementation.

Purpose, values and culture

One of the Board's responsibilities is to assess and monitor culture and behaviours throughout the organisation to ensure these are aligned with the Group's strategy.

We continue to make progress with embedding the Group's purpose and values across the business; with investment in communication and engagement with colleagues; and training in areas such as leadership and Inclusion and Diversity. We monitor progress through regular HR updates, Group-wide colleague surveys, site visits by the Board, issues raised in whistleblowing helpline calls, colleague retention levels and through the work of the Workforce Engagement NED.

In January 2024 we issued our biennial colleague survey, which allows colleagues to voice their views and allows us to gain an insight on how we are progressing as an organisation. We were delighted to achieve an 87% response rate, with 10 of the 12 categories, including leadership, recognition and personal growth, showing improving scores from FY21/22. We will be reviewing the responses to identify an action plan for the coming year. Further information can be found on pages 10 to 11.

The Board reviewed the Group's purpose, values, strategy and culture as part of the assessment and approval of the Group's five-year strategic plan in February 2024. The Board's effectiveness in monitoring the culture and behaviours throughout the organisation was also considered as part of this year's internal Board evaluation and rated positively.

Governance, risk and internal control

The Board is responsible for the oversight of risk and the effectiveness of the Group's system of internal controls, including the financial reporting process. The Board has an effective governance and risk framework, which has been devised to ensure that the Group is being operated and managed appropriately, and that prudent and effective controls are in place to identify and manage or mitigate those risks.

During the year, the Board has undertaken a robust assessment of the Group's emerging and principal risks. Further details of the Group's risk landscape can be found on pages 63 to 70.

The Board noted that the macro-economic environment remained challenging and has monitored the impact of elevated levels of inflation on the business and key stakeholders, such as consumers, customers, colleagues and suppliers. The overall cyber security landscape also remained an area of elevated risk and the Board continued to receive regular updates on the Group's IT strategy and management actions to strengthen resilience. This included third-party penetration testing of the Group's systems, ISO27001 security standard training for all security colleagues, a Group-wide cyber awareness programme, investment in technology infrastructure at manufacturing sites and the strengthening of systems to support the Group's internal controls systems.

The Board has delegated authority for monitoring risk management and internal controls to the Audit Committee and further information is set out on pages 63 to 64.

ESG strategy and climate risks

The Board has overall responsibility for the Group's ESG strategy and oversight of the climate-related risks the business faces as a leading UK food producer.

In 2021, the Board approved a new ESG strategy, the Enriching Life Plan, which is focused on three areas: Product, Planet and People. While the Board has overall accountability for our ESG Strategy and climate-related risks, it delegates day-to-day management to the ESG Governance Committee, which is chaired by the CEO and is supported by the ESG Director, members of the ELT and subject matter experts from across the Group. Regular updates are provided by the CEO and Steering Groups. The Board reviews ESG strategy on a biannual basis and progress against ESG targets is reported at each scheduled Board meeting. During the year the Board reviewed and approved the priorities planned for the following 18 months. Since the introduction of the Enriching Life Plan, significant progress has been made against the three pillars of Product, Planet and People and the Board is delighted that this progress has been recognised by external stakeholders. Further details can be found on pages 30 to 41.

Climate-related risks are incorporated into the Group's Enterprise Risk Management framework. This ensures a bottom-up approach to identifying and quantifying risks for prioritisation, as well as oversight through appointed members of the ELT, the Audit Committee and, ultimately, the Board. In addition, the ESG Governance Committee oversees the TCFD Steering Group, which is responsible for embedding the TCFD framework across the business. ESG matters and climate risks are considered by the Board when making key decisions as part of its responsibility to consider matters under Section 172 of the Companies Act 2006.

Compliance with the UK Governance Code 2018

The Board supports the principles laid down by the UK Corporate Governance Code 2018 (the 'Governance Code') as issued by the Financial Reporting Council, which applies to accounting periods beginning on, or after, 1 January 2019 (available at www.frc.org.uk). The Board reviewed the recent publication of the 2024 UK Corporate Governance Code and steps are being taken towards compliance for when the new measures come into force.

Following the approval of the new Directors' Remuneration Policy at the 2023 AGM, the Board is pleased to announce compliance with Provision 36 of the Governance Code, via the introduction of a formal post-employment shareholding requirement for executive directors (further details are set out in the Directors' Remuneration Report on page 106).

As a result of the above, the Board considers that it has complied with the requirements of the Governance Code during the financial year. The table opposite, along with the reports of each Board committee, demonstrate how the Group has applied the principles of the Governance Code.

Workforce engagement

The Board and its committees receive regular updates on workforce matters, and this is a standing item reported to the Board via HR reports. This includes updates on key issues, such as site-based pay negotiations, vacancies and recruitment, the review of talent management and succession plans, the results of periodic employee engagement exercises and action plans to address the issues raised.

These activities are enhanced by the work of the Remuneration and Audit Committees, which review remuneration arrangements for the workforce across the business and the issues raised via the Group's confidential whistleblowing helpline and management's response to them.

Helen Jones, as the Group's Workforce Engagement NED, has an important role in fostering effective engagement with the workforce to enable the Board to be kept informed of the views of the workforce, and ensure these views are taken into consideration as part of the Board's decision-making process. 'Voice Forums' have been established at all our sites, facilitating two-way engagement with colleagues across the business. During the year, Helen attended these meetings at various sites and the results were fed back to the Board. Updates were provided on investment at a number of Premier Foods sites which had been well received by colleagues, the continuing focus on investing in additional resources, and the need to prioritise to ensure delivery of projects with efficiency.

Appreciation was noted again for the continued work carried out on inclusion and diversity and mental health support, volunteering days and the work with our charity partner FareShare, and the successful transformation of the business. It was highlighted that, across all sites visited, there was a noted sense of pride in working for Premier Foods, energised by recent results and the clarity of the Group's strategy.

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Annual General Meeting ('AGM')

We understand the importance of the AGM to shareholders and value the opportunity to meet in person. We look forward to welcoming shareholders in person once again to the AGM, which will be held at our head office, Premier House, Centrium Business Park, Griffith's Way, St Albans, AL1 2RE, on Thursday, 18 July 2024 at 11.00am. I look forward to meeting with shareholders then.

Colin Day
Non-executive Group Chair

16 May 2024

Governance overview continued

Board attendance

During the year, there were six scheduled meetings of the Board, four meetings of the Audit Committee, four meetings of the Remuneration Committee and two meetings of the Nomination Committee. In addition, a further four Board meetings and calls were convened for specific business.

All directors are expected to attend the AGM, scheduled Board meetings and relevant committee meetings, unless they are prevented from doing so by prior commitments. Where a director is unable to attend a meeting, they have the opportunity to read the papers and ask the Chair to raise any comments. They are also updated on key discussions and decisions that were taken at the meeting. Non-executive directors also have the opportunity to meet without management present.

Details of Board and committee membership, and attendance at scheduled Board meetings and committee meetings, are set out in the table below. Tania Howarth was unable to attend one Board meeting and one Audit Committee meeting due to a personal commitment. Richard Hodgson was unable to attend one Board meeting, and Helen Jones was unable to attend the 2023 AGM, due to other business commitments, which could not be rescheduled.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive directors				
Alex Whitehouse	6/6	–	–	–
Duncan Leggett	6/6	–	–	–
Non-executive directors				
Colin Day	6/6	–	–	2/2
Richard Hodgson	5/6	–	4/4	2/2
Simon Bentley[1]	1/1	1/1	–	–
Roisin Donnelly	6/6	4/4	4/4	–
Tim Elliott	6/6	4/4	4/4	–
Tania Howarth	5/6	3/4	–	2/2
Helen Jones	6/6	–	4/4	–
Yuichiro Kogo	6/6	–	–	–
Lorna Tilbian	6/6	–	–	2/2

1 Simon Bentley resigned from the Board with effect from 12 July 2023.

Conflicts of interest

The Group has procedures in place for managing conflicts of interest and directors have continuing obligations to update the Board on any changes to these conflicts. This process includes relevant disclosure at the beginning of each Board meeting as well as the Group's annual formal review of potential conflict situations, which includes the use of a questionnaire.

Under our Relationship Agreement with Nissin (who held 24.84% of issued share capital as at 30 March 2024), Nissin is entitled to nominate an individual for appointment to the Board. This is conditional upon Nissin retaining an interest in shares in the Company (representing 15% of issued share capital). A summary of the principal terms of the Relationship Agreement can be found on the Group's website. During the period to 30 March 2024, no other director had a material interest at any time, in any contract of significance with the Company or Group other than their service contract or letter of appointment.

Induction

All directors receive a tailored induction on joining the Board covering their duties and responsibilities as directors. Non-executive directors also receive a full briefing on all key areas of the Group's business and they may request further information as they consider necessary. A typical induction would include meetings with Board colleagues, the ELT and other key senior management, site visits and an induction on directors' duties, key elements of the Listing Rules, Disclosure and Transparency Regulations and Market Abuse Regulation and the operation of the Board and its committees.

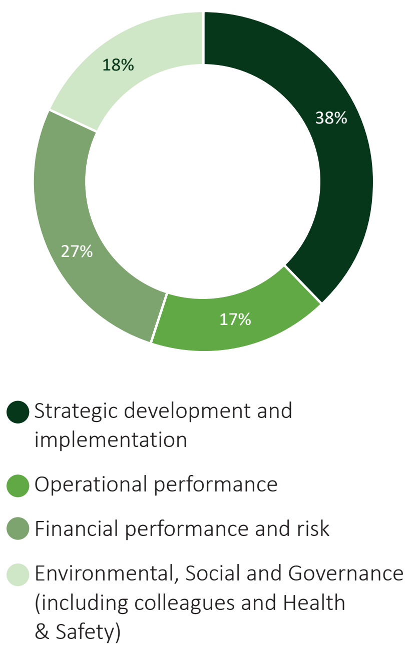
Board information

The main source of information provided to directors is via the Board papers, which are designed to keep directors up to date with all material business developments in advance of Board meetings. In addition, training on specific issues is provided as and when required. Non-executive directors also meet with senior management outside of Board meetings to discuss specific areas of interest in more detail, e.g. brand and marketing plans, customer strategy and pension investment strategy. Board papers, generally, contain the following standing items: CEO business review; CFO review (incorporating investor relations and treasury), financial dashboard and KPIs, commercial and performance review, health and safety and ESG performance. In addition, there are quarterly, biannual and periodic updates on a range of matters, such as human resources, diversity, talent management, corporate affairs, commercial performance, new product development, IT, customer service levels, operations and logistics, ESG strategy, strategic projects, and capital expenditure.

Terms of reference

During the year, the Board reviewed the matters reserved for the Board, and the terms of reference for each of its committees, against recent developments in corporate governance and best practice. The committees' terms of reference can be found on the Group's website.

Board allocation of time over the year



Key Board activities in the year

Set out below are details of the key areas of focus over the course of the financial period.

Strategic development and implementation

The Board maintains responsibility for the overall leadership of the Group and providing oversight of the Group's purpose, values and strategy for the long-term sustainable success of the Group. Changes made to the structure of meetings and agenda items over last couple of years has aided focus on the delivery of the Group's strategic priorities. These changes have resulted in enhancing the balance of time spent reviewing operational performance and allowed more time for forward-looking matters, such as innovation, investment and growth initiatives.

- Approved a new five-year Group strategic plan, the strategy to implement the plan, and the Group's business plans for the medium-term.
- Monitored, and received updates on, the Group's international strategic plan.
- Monitored the performance and integration of *The Spice Tailor*, in line with the Group's acquisition model.
- Approved the acquisition of *FUEL10K* (for further information, see page 21).
- Approved a number of infrastructure investments at the Groups site to increase efficiency, support the innovation pipeline and reduce the Group's energy emissions.
- Received updates on customers and commercial execution.
- Reviewed NPD strategy and initiatives.

Operational performance

The Board has oversight of the Group's operations, ensuring effective planning and execution of the day-to-day running of the business led by the CEO and his executive team. This is enhanced by the review of a range of KPIs and more detailed quarterly reports on health & safety, IT, corporate affairs and human resources.

- Monthly trading updates from the UK and international businesses.
- Operational performance including supply chain efficiencies, warehousing, logistics and customer service levels.
- Following a detailed tender process, approved the appointment of a new logistics provider.
- Monitored the closure of the Group's Knighton factory following an assessment of its viability.
- Considered and approved an assessment of the viability of the Group's Charnwood factory.
- Received regular updates on external matters impacting the Group including the elevated levels of inflation and the ongoing impact of the cost-of-living crisis on the business and key stakeholders.

Financial performance and risk

The Board monitors financial performance against agreed budgets and plans, ensuring that the business has the resources in place to deliver its strategic objects and any necessary corrective actions are taken. As part of its oversight of Group operations, the Board ensures that there is an effective system of risk management and internal control through regular risk reviews and reporting from the Audit Committee to the Board. Overall approval off the Group's risk management framework and risk appetite is provided by the Board.

- Approved the annual budget, re-forecasts and monthly management accounts.
- Continued to review the medium-term financing requirements of the Group.
- Monitored the funding levels and investment strategy of the Group's defined benefit pension schemes.
- Reviewed key risks facing the business, including environmental risks, emerging risks and the risk appetite of the business.
- Received updates on levels of insurance across the Group, including the level in cyber security cover.
- Reviewed viability statement over the next five years.
- Approved the Half Year and Full Year results, and the Q1 and Q3 trading statements.
- Reviewed Annual Report to confirm it is fair, balanced and understandable.

Strategy pillars

Continue to grow the UK core
Supply chain investment
Expand UK into new categories
Build international businesses with critical mass
Inorganic opportunities

Governance overview continued

Governance and culture

The Board has responsibility for ensuring that the Group's culture aligns with the Group's purpose, values and strategy. The Board also takes into account the views and opinions of all stakeholders, as well as other section 172 factors, during discussions and decision making. In addition, the Board reviews the Group's overall corporate governance arrangements and compliance with relevant legislation and best practice guidelines.

- Reviewed diversity within the Board and for the wider Group.
- Reviewed the Group's medium-term plans for organisational structure, to ensure it was aligned with, and supported, the Group's strategic plan and growth strategy.
- Engaged in and reviewed the feedback from the internally facilitated Board and committee evaluations.
- Received updates from the Workforce Engagement NED.
- Reviewed governance best practice and the Governance Code.

Responsibility and sustainability

The Board has oversight of the Group's strategy to address environment and social matters. Non-financial performance is monitored and assessed, ensuring that there is alignment with financial decisions, other strategic, forward-looking matters and the goals, values and culture of the business.

- Reviewed updates on the Group's ESG Strategy, the Enriching Life Plan and the targets set under each of the three pillars.
- The Board reviewed updates regarding the Group's approach to Health and Safety, product safety and trends and issues relating to nutrition, modern day slavery, gender pay, Inclusion and Diversity and plastic packaging.

Board and committee evaluation

The Board conducts a three-year rolling evaluation process. During the process, the input of each Board member is kept confidential to foster open, honest and in-depth feedback. A report is then presented to the Board and an action plan is drawn up.

The three-year rolling evaluation process normally follows the following format:

Year 1

An externally facilitated evaluation is carried out to assess the effectiveness of the Board, each committee and the Group Chair.

Years 2 and 3

An internally facilitated evaluation is managed by the Company Secretary.

A questionnaire is prepared by the Company Secretary, in conjunction with the Group Chair, focusing on core responsibilities of the Board.

Progress since FY22/23

Following the evaluation carried out last year, strong progress has been made over the year against the areas of focus highlighted. As noted earlier, the Board has continued to focus on the execution of the Group's strategy, and significant progress has been made against all five of the strategic pillars. The completion of the acquisition of *FUEL10K,* will expand the Group's presence in the Breakfast meal occasion and further support the Group's strategic growth plans. During the year the Board continued to monitor progress against the Group's innovation strategy, with strong performances from *Ambrosia* porridge pots and *Mr Kipling* and *Angel Delight* ice-cream.

The Board undertook a detailed review of organisational design and, in November 2023, Jo Cullen was appointed as Chief Information Officer. This new appointment to the Executive Leadership Team significantly enhances the experience and expertise within the IT function to support the Group's transformation programmes, systems, controls and security. The Board also continued to monitor the overall risk landscape facing the business and further details are set out in the risk management section of this report.

FY23/24 evaluation

Following the externally facilitated evaluation carried out by Lintstock last year, we returned to an internally facilitated evaluation for FY23/24, in line with our three-year rolling evaluation process. When drafting the evaluation questionnaire, the Company Secretary, in conjunction with the Group Chair, considered and reviewed the outcomes of the prior year evaluation to ensure that any areas of focus were provided with the requisite attention to drive continued improvement. The questionnaire also focuses on the core duties of the Board, as outlined in the Matters Reserved for the Board, as well as the wider macro-economic environment facing the business.

In February 2024, a report was presented to the Board summarising the outcome of the process. As a result of this report, the Board agreed an action plan which will be monitored throughout FY24/25.

Outcomes from the FY23/24 evaluation

The overall response to the questionnaire was very positive and the feedback confirmed the continued effectiveness of the Board in its oversight of the delivery of the strategic plan and that the Board was well placed to deal with future challenges. Areas of strength that were highlighted included the composition and diversity of the Board, understanding of the Group's strategy and subsequent oversight of execution, understanding and oversight of ESG matters, relationships between Board members and senior management, and company secretarial support. It was noted that the atmosphere within the boardroom was positive and constructive with strong engagement with management. Culture within the Group was highlighted, with one NED noting, that the 'proud culture of Premier Foods permeates the organisation and was palpable on factory visits'.

Following the review, the Board agreed that its focus over the next 12 months should include:

- **Strategy** – A continued focus on the execution of the Group's strategic priorities to accelerate growth with particular focus on its targeted M&A strategy, scaling up the international business and the organisational design to support this.
- **Stakeholders** – Strengthen understanding of the views and areas of priority of key stakeholders, including consumer insights and supplier relationships.
- **Board balance** – Keep under review the balance of skills on the Board and the need for additional expertise to support the business, whilst balancing the need for diversity.
- **Risk management** – Continued focus on the Group's risk management process to understand the risk landscape for the business and the mitigations in place.
- **Colleagues and culture** – Further focus on the continued development of Group culture and inclusivity through the Voice Forum, the results of the employee engagement survey, site visits, I&D updates and reviewing best practice.

Assessment of the Group Chair's performance

As part of the annual Board evaluation process, Richard Hodgson, the Senior Independent Director, ('SID'), led a review of the Group Chair's performance. A meeting was held with the other non-executive directors, without the Group Chair being present. The review focused on the relationship between the Group Chair and the CEO, the overall leadership of the Board, the governance process, the conduct of Board meetings and the quality of debate. In addition, the Group Chair's relationship with major shareholders and his understanding of their priorities were discussed.

A summary of the key findings was shared at a subsequent meeting between the SID and the Group Chair. It was confirmed that the Group Chair continues to lead the Board in both a decisive and collaborative way, fostering a culture of challenge with integrity. It was also noted that the Group Chair continued to dedicate sufficient time to the role.

Board focus highlights

2023

May
- Full Year results and dividend
- Health & Safety
- Diversity
- Modern Slavery Statement
- *The Spice Tailor* integration

July
- Q1 Trading Statement
- Annual General Meeting
- Enriching Life Plan
- Site Investment

Sept
- Pensions Teach-in

Oct
- Approved the acquisition of *FUEL10K*
- Talent & Succession
- Site Investment
- Enriching Life Plan
- Health & Product Safety

Nov
- Half Year Results
- Risk Review
- International Strategy
- Innovation

2024

Jan
- Q3 Trading Statement
- Customer & Commercial Execution
- Gender Pay Gap
- Workforce Engagement

Feb
- Annual Budget
- 5-year Strategic Plan
- Board Evaluation

Mar
- Pension scheme arrangements

Governance overview continued

Stakeholder engagement and Section 172(1) statement

Our approach

The Board is responsible for leading shareholder engagement. Like many major UK businesses, the Group operates in a complex and interconnected commercial and regulatory environment, which impacts and touches many different stakeholders. By understanding and engaging with stakeholders, the Board can consider their interests and priorities when making key decisions.

This also aligns with our purpose of Enriching Life Through Food for our consumers, our planet and our colleagues, and ensures that we work constructively with stakeholders to deliver value creation and promote the long-term sustainable success of the Group.

The information on pages 86 and 87 sets out our key stakeholders and our engagement with them. Set out below are two case studies, which illustrate where the Board has taken into consideration the interests of various stakeholder groups.

FUEL10K acquisition

In October 2023, we announced the acquisition of *FUEL10K*, which will help to accelerate our expansion within the breakfast category. Corporate actions require substantial review and consideration by the Board as they impact a wide range of stakeholders. The Board considered a range of acquisition opportunities on a number of occasions over the year and assessed the business case for acquiring *FUEL10K* in detail.

How did this allow us to promote the success of the company?

The likely consequences of any decision in the long-term

One of the Group's five strategic pillars is to acquire brands where there is an opportunity to drive significant value through the application of our branded growth model. The Board considered that *FUEL10K* would enable the Group to strengthen its position within the breakfast category whilst offering a differentiated position, with its protein rich products. *FUEL10K* products attract a predominantly younger consumer demographic which aligns with the longer-term goals of the Group. At the same time, it represented a good strategic fit with the Group's existing portfolio of brands and increases the Group's position in the breakfast category, building on the success of *Ambrosia* porridge pots.

Interests of the company's employees

Since completing the acquisition, *FUEL10K* employees have been fully integrated into the business. The culture at *FUEL10K* reflects many of the values that we hold at Premier Foods and there are exciting opportunities for the business to take learnings from an agile, high growth brand, whilst *FUEL10K* colleagues benefit from the additional scale, financial resources and established customer relationships of the Group. In addition, the acquisition also offers *FUEL10K* colleagues increased opportunities for career advancement in a larger organisation.

Fostering the company's business relationships with suppliers, customers and others

The Board was cognisant of the relationships that *FUEL10K* holds with their existing suppliers and appropriate due diligence was undertaken prior to acquisition, which included site visits to key suppliers.

Impact on the community and the environment

The Board considered that *Fuel10K*'s commitment to sustainability aligned well with the Group's Enriching Life Plan. Through their commitment to reducing sugar levels from product lines and introducing packing which is either renewable or recyclable.

Maintaining a reputation for high standards of business conduct

The integration of the *FUEL10K* business allows the brand and its employees to benefit from the Group's established operating processes and procedures in key areas such as manufacturing, health and safety, marketing and sales.

Acting fairly as between shareholders of the company.

As part of the due diligence process, the Board assessed the valuation of the *FUEL10K* and its growth forecast. The Board considered that the acquisition of the brand was well aligned with the Group's growth strategy and would provide future value through leveraging its proven branded growth model which would benefit the shareholders of the Company and help to drive sustainable long-term value.

Capital allocation	How did this allow us to promote the success of the company?
Over the year the Board has considered capital allocation over the short, medium and long-term in line with the Group's five-year strategic plan and budget. The Board is conscious of the importance of balancing investment choices with the priorities of different stakeholder groups	**The likely consequences of any decision in the long-term** When making decisions on how to allocate capital, the Board considers options which support the Group's strategic pillars, this includes choices for investment in the business to launch NPD, expanding the Group's international business and make further targeted acquisitions. These are focused on delivering long-term sustainable growth for the company and its stakeholders. The Board regularly approves new capital investment projects to drive cost savings and efficiencies, which will generate further cash flow over the medium-term which can be reinvested back into the business to fund further branded growth. **Interests of the company's employees** The Group continues to invest in colleagues through a range of leadership and development initiatives, as well as graduate and apprenticeship schemes, developed to equip colleagues with the right skills and behaviours to support the Group's growth strategy. During the year the Board has approved a number of site investment opportunities which also enhance the work environment for colleagues. This also included investment in a new head office, to provide a future focussed, tech-enabled workspace, that is focussed on colleague collaboration. **Fostering the company's business relationships with suppliers, customers and others** Cost savings and efficiencies from capital investment can be reinvested back into our brands in order to drive further growth. The Board also approved investment in *Ambrosia* porridge pots to increase capacity to meet increased consumer and customer demands for the product. **Impact on the community and the environment** During the year the Board approved the capital expenditure required to support a range of ESG commitments. This included investment to automate the retort process of the *Mr Kipling* sponge pudding production. The new retorts will be considerably more energy efficient, driving financial savings and emissions reductions. Additionally, as part of our Enriching Life Plan, we aim to help reduce food insecurity and during the year we are proud to have donated 949,040 meals, an increase of 31% on last year. Pursuing our goal of reducing Scope 1 and 2 emissions, our first solar photovoltaics project is now in implementation at our Stoke bakery. For further details on how we're allocating capital to improve our impact on the community and environment, see pages 30 to 41. **Maintaining a reputation for high standards of business conduct** Over the year the Board approved increased investment in internal controls with the appointment of external resource to support the strengthening of the internal control framework in advance of the new requirements set out in the UK Corporate Governance Code 2024. This is designed to enhance the effectiveness of the Group's financial, operational, compliance and non-financial controls and provide assurance to shareholders and other stakeholders. **Acting fairly as between shareholders of the company.** The Board remains conscious of the importance of dividend payments for shareholders. As part of its progressive dividend policy, the Board has proposed a final dividend for FY23/24 of 1.728p per share to shareholders, representing a 20% increase on the prior year.

Governance overview continued

Customers and consumers

Why are these stakeholders important to our business?

Customers and consumers buy and eat our products – they are at the heart of the Group's business model.

What issues and factors are most important to these stakeholders?

- Category leadership
- Excellent customer service levels
- Innovative, relevant products that meet consumers' needs
- Great-tasting, affordable products
- Convenient and responsible packaging formats
- Customers and consumers buy and eat our products – they are at the heart of the Group's business model
- Environmental, nutritional and sustainability issues

Engagement and outcomes

We seek to develop sustainable partnerships with our customers focused on driving mutual category growth. Regular meetings take place at many levels, through the sales team, senior management and CEO. These cover range reviews, new products, promotions, displays and service levels. Feedback from customers is also provided via an annual customer survey.

Customer insights, from various channels, are shared and discussed at Board meetings, including details on consumer behaviours, market trends and competitor activities. Product tastings and NPD are showcased at Board meetings. Customer and consumer feedback is reported to the Board via KPIs.

It is essential that we engage with our consumers so that we can understand consumption and lifestyle trends in order to help us to create products that meet their needs.

We have a dedicated Consumer Careline, through which we monitor and deal with issues our consumers raise.

We also regularly benchmark our products with consumers in blind panel tests.

Colleagues

Why are these stakeholders important to our business?

We have an experienced and dedicated workforce of over 4,000 colleagues at 14 sites across the UK. We have a responsibility to ensure all colleagues work in a safe environment and have opportunities to learn and develop in their careers.

What issues and factors are most important to these stakeholders?

- Understanding our purpose, strategy and values
- Reward and recognition
- Safe and pleasant working conditions
- Job security
- Learning and development opportunities
- Health and well-being
- Inclusion and diversity

Engagement and outcomes

We communicate and engage with colleagues in many ways throughout the year, to ensure they understand our business priorities and performance. This ensures that, in turn, we can listen to their issues and concerns. Feedback is received via Group employee surveys, line management and HR teams, resulting in targeted action plans to address key areas for improvement. Biennially, we issue our all employee survey to allow employees to provide us with feedback. For further information see pages 10 to 11.

We have regular Company briefings led by the CEO and shared by video feed to all sites across the Group. There are regular site briefings from management to give presentations and listen to feedback, supplemented by ELT and Board visits.

The Board receives regular updates on key employee issues and internal communications.

To increase the focus on two-way communication, the Workforce Engagement NED regularly attends employee forums to discuss key issues directly with colleagues. For further information see page 79.

A formal whistleblowing procedure is in place to allow employees to raise any concerns or issues they have confidentially, and details of all cases raised are fed back to the Board via the Audit Committee. For further information see page 118.

Suppliers

Why are these stakeholders important to our business?

We are one of the UK's largest food producers and we are proud to work with many British suppliers. Over the year, 80% of our total third-party spend was with UK-based suppliers.

What issues and factors are most important to these stakeholders?

Understanding the Group's strategy and growth plans

- Forming long-term collaborative partnerships
- Transparent terms of business
- Payment terms

Engagement and outcomes

It is crucial that we develop strong relationships with our suppliers, based upon mutual trust and respect, to ensure that we can source high-quality products and services at the right price.

We have open, constructive and effective relationships with our key suppliers through regular meetings, which provide both parties the ability to feed back on successes, challenges and our ongoing strategy.

Periodic audits of our raw material, packaging and co-manufacture suppliers (our 'Direct Suppliers') are undertaken to ensure compliance with ethical sourcing standards, and that suppliers are operating under a recognised Global Food Safety Initiative certification programme (e.g. BRCGS, FSSC22000). All Direct Suppliers, along with key high risk indirect partners, are requested to register with Supplier Ethical Data Exchange ('SEDEX') and share relevant ethical data. Feedback from suppliers is also provided via feedback surveys. The Group's whistleblowing hotline has been extended to include suppliers to allow them to raise any concerns anonymously.

Key supplier contracts are discussed by the Board as appropriate.

Payment policies, practice and performance are reported through the Government's Payment Practices Reporting portal.

During the year we held an ESG supplier conference which was attended by our major high-impact suppliers. These suppliers represent around 70% of our Scope Three Green House Gas Emissions and are critical to the success of our delivery across our sustainability Planet

Pillar. This was an important milestone within our Supplier Engagement Programme, enabling us to share our own vision, but also to clearly articulate our ESG expectations and requirements to our most impactful suppliers. These suppliers will help us to reduce carbon emissions, food waste, deforestation, and will assist us in supporting sustainable regenerative agriculture whilst ensuring everyone in our supply chain is treated fairly. We have requested that our high impact suppliers join us on the EcoVadis ESG ratings platform, to help collate and report our overall supplier performance. For further information see pages 38 to 39.

Communities and environment

Why are these stakeholders important to our business?

As a responsible food manufacturer, we consider the impact we have in the areas we operate, including local businesses, residents and charities. We also have an important role to play in ensuring we reduce our impact on the environment.

What issues and factors are most important to these stakeholders?

- How our factories impact on local communities
- Volunteering and supporting charities
- Reducing carbon emissions
- Environmental commitments
- Reducing plastic packaging and improving recyclability

Engagement and outcomes

Updates are provided to the Board on ESG (Environmental Social and Governance) matters affecting the business, so that the long-term sustainability of the Group can be considered in its decision making.

The Board receives updates on KPIs relating to our economic contribution and environmental impact, as well as our contributions to the community, both at a local site level and via the work we do with our corporate charity partners.

In 2021, the Board reviewed and approved a new ESG strategy, the Enriching Life Plan, based around three pillars: Product, People and Planet.

Government and society

Why are these stakeholders important to our business?

The Board believes in the importance of acting responsibly and operating with high standards of business conduct. The Group also takes an active role in seeking to shape and influence debates around key issues in society relating to food safety, nutrition and health and well-being issues.

What issues and factors that most important to these stakeholders?

- Food safety
- Nutrition
- Tax
- Conducting business in a fair way
- Regulatory and legal compliance

Engagement and outcomes

The Board receives regular updates from the Corporate Affairs & ESG Director on key regulatory issues affecting the Group and the food industry, such as nutritional guidelines, advertising and promotions.

The General Counsel & Company Secretary provides updates on governance, legal, regulatory and compliance matters.

We seek to take an active role in responding to the key issues affecting our industry, through membership of organisations such as the Institute for Grocery Distribution and the Food and Drink Federation.

Bond holders, banks and pension schemes

Why are these stakeholders important to our business?

The Group's bank lending groups and bond holders provide essential financing that supports the long-term viability of the Group. The Group also has a large defined benefit pension scheme, with approximately 41,000 pensioners and deferred pensioners, who depend on the Group's long-term ability to fund the schemes.

What issues and factors are most important to these stakeholders?

- Regular communications with regards to the Group's strategy and trading performance
- Cash flow and Net debt levels
- The strength of our employer covenant
- Ongoing schedule of contributions

Engagement and outcomes

Management engages regularly with the Group's bank lending groups and bond holders via conference calls, conferences and face-to-face meetings.

During the first half of FY22/23, the Group completed the first extension of its new Revolving Credit Facility to 2025. Subsequently, the Group has successfully completed a further extension of its Revolving Credit Facility to 2026.

The CFO maintains a regular dialogue via attendance at Trustee and Investment Committee meetings and regularly reports on the Group's trading performance. Periodic updates are provided to the Board on funding levels and investment strategy.

During the year the Group engaged with the Trustee of the RHM Pension Scheme to review deficit repair contributions, following the strong performance of the scheme's investment strategy. As a consequence, the Board and the Trustee approved a suspension to contribution payments from 1 April 2024 which will increase free cash flow by £33m in FY24/25. For further information see page 59.

Shareholders, investors and analysts

Why are these stakeholders important to our business?

An important role of the Board is to represent and promote the interests of its shareholders, as well as being accountable to them for the performance and activities of the Group.

What issues and factors are most important to these stakeholders?

- Shareholder return over the medium-term
- Good governance and stewardship of the Group and its brands
- Delivery of financial performance
- Maintaining the appropriate level of leverage
- Dividends

Engagement and outcomes

The Board believes it is very important to engage with its shareholders and does this in a number of ways.

This includes the financial results presentations and conference calls for shareholders and analysts, face-to-face meetings, investor road shows and anonymous shareholder feedback via brokers. The Group Chair and CEO meet regularly with shareholders to discuss strategic and governance matters. The SID and committee Chairs also engage with shareholders on specific matters, when appropriate.

Board members also have the opportunity to meet with private shareholders at the Company's AGM.

The Group reinstated dividend payments in 2021 and the Board has recommended a final dividend for FY23/24 of 1.728p, an increase of 20% from the prior year.

Nomination Committee report

Committee membership

Colin Day
Appointed August 2019 (appointed Committee Chair August 2019)

Richard Hodgson
Appointed January 2015

Tania Howarth
Appointed March 2022

Lorna Tilbian
Appointed April 2022

Dear shareholder,

On behalf of your Board, I would like to present the Nomination Committee report for the period ended 30 March 2024.

The responsibilities of the Committee are set out in its terms of reference (available on the Group's website), and include:

- Considering the size, structure and composition of the Board;
- Leading the formal, rigorous and transparent process for the appointment of directors;
- Making appointment recommendations so as to maintain an appropriate balance of skills, knowledge, experience and diversity on the Board;
- Ensuring a formal and rigorous Board and committee evaluation is undertaken on an annual basis (an overview of which is provided on pages 82 to 83); and
- Overseeing the Company's policy, objectives and strategy on inclusion and diversity.

The Committee also reviews the succession requirements of the Board and senior management and makes recommendations to the Board as appropriate. With the exception of myself, as Group Chair, only independent non-executives are members of the Committee. I was appointed Group Chair in 2019 and was considered fully independent on appointment. Details of the Committee's meeting attendance are set out on page 80.

Board membership and recruitment

The procedures for appointing new directors are set out in the Committee's terms of reference. The process is led by the Group Chair, except where the appointment is for their successor, when it is led by the SID. This includes an assessment of the time commitment expected for the role, other significant business commitments and any potential conflicts of interest.

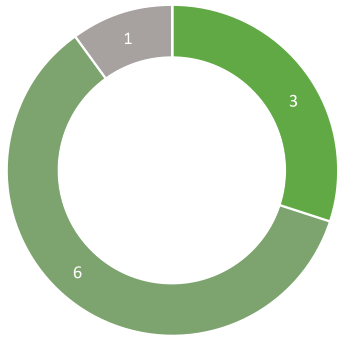
Before an appointment is made, the Committee evaluates the balance of skills, knowledge, experience and diversity on the Board, as well as the skills required to help deliver the Group's strategy and meet any future challenges of the business.

The Committee prepares a candidate specification setting out the role and capabilities required. Non-executive directors and the Group Chair are generally appointed for an initial period of three years, which may be renewed for a further two terms. Reappointment is not automatic at the end of each three-year term.

During the financial year, a review of the Committee's effectiveness was undertaken. In addition, the Committee considered the composition, balance and diversity of the Board. The Board was made aware of the availability of Malcolm Waugh, who was previously shortlisted as a candidate from an independent search process undertaken by Lygon (who have no other connection to the Group). Members of the Board met with Malcolm, following which it was recommended he be appointed as a non-executive director, following the AGM in July 2024. Malcolm has a wealth of senior executive experience in commercial, operational and leadership roles working in a range of international markets.

Board tenure

The average length of appointment of our NEDs was four years, as at year end. The breakdown for the full Board can be seen in the following chart.

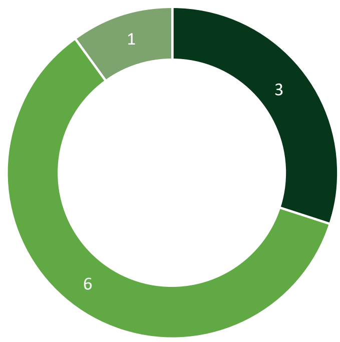


- 0–1 years
- 1–3 years
- 3–6 years
- 6–9 years
- 9+ years

(As at 30 March 2024)

Board independence

The Governance Code recommends that at least half the Board, excluding the Group Chair, should comprise non-executive directors determined by the Board to be independent.



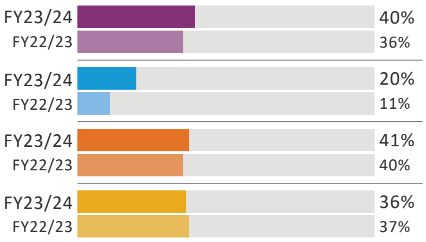
As at 30 March 2024

- Non-independent directors
- Independent directors
- Group Chair

Only independent NEDs are members of the Board's committees, with the exception of the Nomination Committee which is chaired by the Group Chair, who was considered independent on appointment. Yuichiro Kogo, who represents our largest shareholder, is fully independent of management, but is not considered independent. Further details of the relationship agreement under which Yuichiro is appointed, can be found on page 80.

Gender diversity

The data below displays the percentage of women across various levels of the business, as at 30 March 2024.



FY23/24

- Board – (4 of 10)
- ELT – (2 of 10)
- ELT and direct reports (23 of 56)
- All colleagues (1,457 of 4,048)

FY22/23

- Board – (4 of 11)
- ELT – (1 of 9)
- ELT and direct reports (23 of 57)
- All colleagues (1,505 of 4,098)

Talent and succession management

The Board reviews the Group's Talent and Succession process on an annual basis. This includes a robust assessment of the risk of individuals leaving the business and the likely impact, developing plans to mitigate identified risks. The review also highlighted the key talent and development plans specifically focused on strengthening gender and ethnic diversity within management. Senior Leadership was reviewed in detail, including all members of the ELT and their direct reports.

There is a strong culture of succession planning and talent management within the organisation. This has resulted in a significant proportion of senior roles being filled internally, including the current CEO and CFO, and the majority of ELT, Factory General Manager and commercial positions. Colleagues see this as positive, helping not only in attracting talent externally, but also with internal retention. The Board assessed the strength of the talent pipeline and, where there were potential risks, the plans to address these. Following the latest review, it was identified that the leadership bench strength had increased significantly, and a robust succession plan is in place for senior leadership team roles. In addition, the Committee met separately during the year to review succession plans for the executive directors.

Review of NED performance

Over the course of the year, a review of the contribution and performance of the independent non-executive directors was undertaken. This included a review of the contribution of each NED, their other appointments and whether these impacted on their availability to commit appropriate time to their roles, their continuing independence, and training and development needs. This was considered by the Committee as part of its assessment of the current composition of the Board and the need for any future appointments, as part of the succession planning process. Following this review, it was agreed that the Board had an appropriate balance of skills, experience and knowledge of the Group to enable it to discharge its duties and responsibilities effectively. In addition, the current Board was felt to have a broad range of retail, marketing, commercial and financial experience, which is appropriate for the size and complexity of the Group. Consequently, the Committee recommended the re-election (or election) of all directors at the 2024 AGM, with the exception of Richard Hodgson. As noted in last year's Annual Report, and in the Group Chair's Statement, Richard's tenure will cease at the 2024 AGM having served as a NED for 9.5 years.

Inclusion and diversity

The Board adopted a Diversity Policy in 2022, which is available on the Group's website. The purpose of the policy is to ensure an inclusive and diverse membership of the Board and its committees, to enhance decision making and assist in the development and delivery of the Group's strategy. The Board believes it is important that its membership includes a broad mix of skills, professional and industry backgrounds, geographical experience and expertise, gender, tenure, ethnicity and diversity of thought.

The Board, or where appropriate the Nomination Committee, will:

- Consider all aspects of diversity when reviewing the composition of the Board and its committees, and when reviewing the Board's effectiveness;
- Only engage executive search firms who have signed up to the voluntary Code of Conduct on gender diversity and best practice and request them to identify suitable candidates for appointment to the Board on merit against objective criteria, having regard to the benefits of diversity in promoting the success of the Group;
- Encourage the development of a diverse internal talent pipeline to meet future succession planning needs of the Group, by supporting and monitoring the Group's actions to increase the proportion of senior leadership roles held by women, people from ethnic minority backgrounds and other under-represented groups across the business; and
- Assist the development of a diverse pipeline of high-calibre candidates by encouraging senior individuals within the business to take on additional roles to gain valuable board experience.

Developments over the year

The Board and Committee regularly review the Group's approach to diversity (including both gender and ethnicity), within senior management and across the whole business and this remains an area of significant focus.

The Board supports the recommendations set out in the FTSE Women Leaders Review and the Parker Review. The Nomination Committee has reviewed the requirements of, and compliance with, LR 9.8.6(9) and notes that the Company is compliant with the recommendations of the Parker Review, and the FTSE Women Leaders Review recommendation that at least 40% of the Board are women.

At least 40% of Board directors to be women

As at 30 March 2024, 40% of Board directors were women. In July 2023, Simon Bentley retired from the Board and this resulted in overall female representation increasing from 36% to 40%. The Committee will continue to monitor the skills and experience required by the Board, and the need to replace departing Board members.

At least one of Chair, SID, CEO, CFO to be a woman

As at 30 March 2024, none of the four senior posts were held by a woman. However, the Board announced in May 2024 that following Richard's retirement, Lorna Tilbian will take on the role of Senior Independent Director with effect from 18 July 2024.

Nomination Committee report continued

At least one director is from a minority ethnic background

As at 30 March 2024, the Board was compliant with the recommendation.

Ethnic diversity at senior management level

In light of the Parker Review recommendations published in March 2023, the Group has set an ambition for 7% of senior management (defined as the ELT and their direct reports) to be colleagues from ethnic minorities by December 2027. If achieved, this would represent a near doubling from our current level of 3.6%.

We have set this target after reviewing the most recent census data for where we operate and taking into account our current diversity level, our talent and succession pipeline and potential vacancy opportunities. We feel this target is stretching and appropriate.

Inclusion and Diversity is one of the core principles of Premier Food's People strategy, which forms part of the Group's Enriching Life Plan. Premier Foods is committed to creating an inclusive culture across its whole organisation and aims to ensure all existing and potential colleagues are provided with equal opportunity and are respected, valued and encouraged to bring their authentic selves to work. The Group has adopted the following diversity targets:

- Achieving gender balance for the senior management population by 2030; and
- Ensuring diversity KPIs at our sites reflect their regional demographic by 2030.

The Group has developed and launched a Reverse Mentoring Programme, which is designed to help address the gender imbalance within senior roles across the business. There has been a strong improvement in female representation within senior management (the ELT and their direct reports), increasing from 28% in FY20/21 to 41% in FY23/24.

During 2022, the Group introduced a Sponsorship Programme for diverse colleagues across the graded management population with the assistance of an external partner, which is designed to enable diverse talent to develop and excel. The Group continues to promote a range of programmes to raise awareness of inclusion and diversity throughout the business.

Continued progress has been made over the year in recording colleague diversity data. Colleagues are able to provide their personal data by different methods, which include the completion of a paper-based application, via a tablet, by scanning a QR code or a unique URL link for connected users. The questions included in the survey are based around nine protected characteristics, which include gender identification, ethnic background, sexual orientation, age demographic and parental/carer status. Colleagues are presented with a pick list of answers and always offered a 'prefer not to say' option.

Further information on our approach to Inclusion and Diversity across the business is set out in the section on our values and culture, on pages 10 and 11, and progress against our KPIs is set out on pages 188 and 189.

Information/data on the diversity on the Board and ELT, as required under Listing Rule, LR 9.8.6(9)-(10), is presented in the tables below. These set out the position as at the year-end (30 March 2024), and no changes have occurred up to 16 May 2024.

Gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions of the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	60%	4	8	80%
Women	4	40%	–	2	20%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background

	Number of board members	Percentage of the board	Number of senior positions of the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	90%	4	9	90%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	10%	–	1	10%
Black/African/Caribbean/ Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–

Colin Day
Nomination Committee Chair

16 May 2024

Audit Committee report

Committee membership

Tim Elliott
Appointed May 2020 (appointed Committee Chair July 2023)

Tania Howarth
Appointed March 2022

Roisin Donnelly
Appointed April 2022

Dear shareholder,

As Chair of the Audit Committee, I am pleased to present the Committee's report for the period ended 30 March 2024. The Committee has delegated responsibility from the Board for ensuring the integrity of the Group's Financial Statements, reviewing the effectiveness of the Group's financial reporting systems and internal controls, and for the risk management process which identifies, assesses and reports on risk.

The Committee also keeps under review the relationship with the external auditors, including the terms of their engagement and fees, their independence and expertise, resources and qualification, and the effectiveness of the audit process.

All members of the Committee are independent non-executives, who collectively have a broad range of FMCG, commercial, operational, IT, financial and marketing experience relevant to the Group's business. I have recent, relevant financial experience, having spent over 40 years in corporate finance and investment banking, advising a wide range of companies and industries, particularly those in the consumer and retail sectors, and previously having served as Audit Committee Chair of CPP Group plc. Further details of Committee memberships, directors' experience and meeting attendance are set out on pages 76 to 80. In addition to the Committee members, the CEO, CFO, Group Chair, Group Financial Controller, Director of Internal Audit and Risk and external audit partner are regularly invited to attend and present at the Committee's meetings.

I was appointed as Audit Committee Chair in July 2023, having served on the Committee for three years, following the retirement of Simon Bentley from the Board. Following my appointment, I undertook a comprehensive induction, holding meetings with the CFO, external audit lead partner, members of the senior finance team, the Director of Internal Audit & Risk and Director of ESG. I also visited the Company's shared service centre in Manchester and met with senior leadership.

Areas of review

During the financial period, the Committee held four scheduled meetings. Key areas of review were as follows:

- Monitored the integrity of financial reporting, including the Annual Report and the full-year, half-year and quarterly results announcements;
- Ensured the Annual Report and Accounts are fair, balanced and understandable, and in compliance with relevant regulations;
- Considered the going concern and viability statements for the Group;
- Reviewed the ongoing impact of macro-economic developments on the Group's performance and viability, including the inflationary pressures on input costs;
- Reviewed the assessment and reporting of non-trading items in the financial statements and provided challenge to both the external auditor and management. The Committee also reviewed and approved the principles used by the Group when determining the classification of items as non-trading;
- Reviewed and agreed a new valuation model for share based payments relating to the TSR element of the LTIP;
- Reviewed the use of alternative performance measures, ensuring there was clear rationale for use and that their use complied with relevant guidance;
- Reviewed the statutory audit plan with the lead audit partner to assess the scope, methodology and areas of key risk and materiality;
- Reviewed the Group's policy on Auditor Independence and Non-Audit Services;
- Received regular reports from the internal audit function, monitored its activities, effectiveness and resourcing, and approved both the annual internal audit plan and internal audit charter;
- Reviewed the adequacy and effectiveness of the Group's risk management systems and mitigation programmes;
- Received regular updates on upcoming changes in governance and financial reporting requirements, including the requirements of the recently published FRC Corporate Governance Code and monitored the implementation of the plans for enhancing, where necessary, the internal control framework in preparation for the new disclosures regarding internal controls; and
- Reviewed the adequacy of the Group's whistleblowing helpline, and the calls received through the service and management's response to them.

External auditors tender and appointment

The Committee confirms that it has complied with the requirements of the Competition & Markets Authority's Statutory Audit Services Order 2014 during the financial year. As highlighted in last year's Annual Report, the Company undertook a formal audit tender exercise in 2022, following which PricewaterhouseCoopers LLP ('PwC') was appointed by the Board in August 2022 to act as its independent auditors for the financial year ended 1 April 2023. The current lead audit partner is Richard Porter. PwC's reappointment was approved by shareholders at the AGM in July 2023, with 99.99% of votes cast being in favour. The Board will propose a resolution for shareholders to approve the reappointment of PwC as independent auditors for the financial year ending 29 March 2025 and for the Audit Committee to be authorised to set the auditors' remuneration.

Having conducted a comprehensive and competitive tender process and appointed a new external auditor in August 2022, the latest point to undertake the next tender will be after the FY31/32 year end, at which point the current external auditor could be reappointed for a further 10-year term, following a competitive tender.

Audit Committee report continued

External auditors' independence, effectiveness and non-audit services

The effectiveness of the external auditor is monitored by the Committee through regular engagement with senior management and private meetings held with the external auditor without the presence of management. Their effectiveness is also considered as part of the Committee's annual evaluation process. Following the completion of the first financial year-end audit by PwC, a full day meeting was held between PwC and management to discuss the audit process and make recommendations for enhancements. In addition, a formal effectiveness evaluation was undertaken by the Director of Internal Audit & Risk, via the use of a survey of key management involved in the audit process. Noted areas of strength of the statutory auditor were, the experience, integrity, judgement, and the technical knowledge of the audit team. A number of areas were identified where processes could be enhanced, including aspects of overall project management and, the phasing of the audit work pre and post year-end, which have been incorporated into the FY23/24 audit plan.

The Committee has reviewed the auditors' independence and assessed the effectiveness of the external audit process by reference to: the scope of the audit work undertaken; presentations to the Committee; feedback from management involved in the audit process; the separate review meetings held without management present; relevant UK professional, regulatory requirements; the Company's Auditor Independence and Non-Audit Services policy; and the relationship with the auditors as a whole, including the provision of any non-audit services.

In accordance with our policy, the Committee has continued to review the level of non-audit fees with management during the year. The Committee also received an update from PwC's lead audit partner on the internal controls, which they employ to safeguard their independence, integrity and objectivity. The Group's policy on Auditor Independence and Non-Audit Services, which is aligned with the FRC Revised Ethical Standard 2019, is available on the Group's website.

Non-audit fees for the period amounted to £242,450 (FY22/23: PwC £219,000) representing 17% of the audit fee. As part of the Group's ongoing ESG strategy, PwC was engaged to perform independent limited assurance procedures on selected FY23/24 ESG performance measures. In addition, as with previous years, the external auditor was engaged to provide royalty statements, which are required under the Group's *Cadbury* licence with Mondelez International and *Loyd Grossman* licence. The Committee remains mindful of guidelines in respect of non-audit services and the potential threat to auditor independence, as set out in the FRC's Revised Ethical Standard 2019. The Committee assessed that, in each case, the nature of the work would be best performed by PwC due to their size and knowledge of the business, the timescale required for completing the assignments, and the overall cost in undertaking the work. In addition, PwC consulted their own internal Audit Quality and Risk Management team prior to agreeing the engagements. PwC's procedures for ensuring compliance with quality control standards, maintaining independence, integrity and objectivity were also reviewed and no matters were identified that might impair the auditors' independence and objectivity.

Following these reviews, the Committee is satisfied that PwC is independent and effective, and has recommended to the Board that PwC be reappointed as external auditors at the AGM in 2024.

Risk management

The Group has a risk management framework to identify, evaluate, mitigate and monitor the risks the business faces. The risk management framework incorporates both a top-down and a bottom-up approach to ensure all the Group's risks are identified.

The Committee carried out an assessment of the principal risks facing the business, including climate-related risk, on two occasions over the year. The output from these assessments have, subsequently, been presented to and reviewed by the Board, who retain ultimate accountability for risk management for the Group, for further review and discussion.

Details of our risk management process are set out in the Risk management section, on pages 63 to 70.

Task Force on Climate-related Financial Disclosures ('TCFD')

The Committee provides oversight of the Group's compliance with the recommendations of TCFD. A TCFD steering group was established in FY21/22 to develop the Group's approach to TCFD, raise awareness of climate-related risks around the business and to report on progress to the Committee. The TCFD steering group also co-ordinates the adoption of TCFD recommendations into the Group's Enterprise Risk Management processes and ensures visibility and oversight of the programme by the ESG Governance Committee. Over the year, the Committee reviewed progress against the various work streams, the Group's TCFD roadmap and the four disclosure pillars (Governance, Strategy, Risk Management, and Metrics and Targets). The Group's TCFD disclosure is set out on pages 42 to 55.

Internal controls

The Committee maintains responsibility for reviewing the process for identifying and managing risk and for reviewing internal controls. It receives reports from management, the Director of Internal Audit and Risk, and the statutory auditors, in addition to the results of any investigations performed as a result of colleague whistleblowing reports, or otherwise. The Committee considers the implications of findings from the risk management process and from both the internal and external auditors to the Group's controls framework. Any issues are reported and discussed, and management are challenged as to what actions they are taking to improve the control framework and minimise the likelihood of their reoccurrence.

The Board has delegated authority to the Committee to monitor internal controls and conduct the annual review. This review covers all material controls, such as financial, operational and compliance, the preparation of the Group's consolidated financial statements, and also the overall risk management system in place throughout the year under review, up to the date of this Annual Report. The Committee reports the results of this review to the Board for discussion and, when necessary, agreement on the actions required to address any material control weaknesses. The Committee confirms that it has not been advised of any failures of material controls or material control weaknesses during the year and the Committee concluded that the Group's internal controls framework remains effective.

During the year, the Committee continued to receive updates related to developments on the UK Government's corporate reform proposals, including the FRC's revisions to the UK Corporate Governance Code, and on the Group's preparations to ensure that it meets its responsibilities. A Steering Committee, chaired by the CFO, oversees a Project Execution Team with the support of a third-party specialist implementation partner. During FY23/24 activities have focused on review of existing, and where necessary supplementation with new, business process and IT risk and control matrices ('RACMs'). This was accompanied by a broad testing programme to ensure the internal control framework operates effectively.

Internal audit

The Internal Audit function carried out a range of reviews across the Group providing independent assurance to the Committee on the design and operating effectiveness of internal controls to mitigate financial, operational and compliance risks. The purpose, authority and responsibilities of Internal Audit are embodied in the Internal Audit Charter, which the Committee reviews and approves on an annual basis. The Director of Internal Audit and Risk has dual reporting lines to the Audit Committee Chair and the Group CFO.

The Committee discussed and approved the FY23/24 audit plan to be executed by the Internal Audit team at the start of the year, ensuring its alignment with the Group's strategic priorities, risk management outputs, and routine compliance control and monitoring requirements. Following a tender exercise involving the Audit Committee Chair, CFO and Director of Internal Audit and Risk, a new Internal Audit co-source assurance partner was appointed. The Internal Audit assurance partner is utilised to ensure complex or bespoke areas of risk are adequately appraised and, where appropriate, provide additional resource to implement the annual audit programme. During FY23/24, internal audit reviews covered areas such as key financial transaction cycles, travel and expenses governance, classification of costs relating to the Knighton factory closure, IT application controls and customs and duties.

The Committee reviewed the results of the internal audit reports during each meeting, looking in detail at any reports where processes and controls require improvement. The Committee is also provided with updates on the implementation of agreed management actions and overall control environment improvement at each meeting. For any management action requirement not met to its agreed timetable, the responsible management are required to provide a full explanation to the Committee as to the reasons for the delay before a new deadline is agreed.

The internal audit resource is monitored such that, if internal or external circumstances should give rise to an increased level of risk, the audit plan can be supplemented accordingly during the year. During the year, the Internal Audit function's head count was increased. The audit plan remains flexible and any changes to the agreed audit plan are presented to, and agreed by, the Committee. The effectiveness of the Internal Audit function is reviewed on an annual basis and the Committee concluded that the Internal Audit function has remained effective.

Risk management and internal control over financial reporting

The directors have key procedures established to confirm that they have reviewed the effectiveness of the system of risk management and internal control of the Group during the year, the key features of which are as follows:

- An annual budgeting process with regular re-forecast of outturn, identifying key risks and opportunities.
- Regular reporting of financial information and performance to the Board, management monitors the results throughout each financial year.
- An Internal Audit and Risk function which reviews key business processes and business controls, reporting to the Audit Committee.
- Third party reviews commissioned periodically by the Group of areas where significant inherent risks have been identified, such as health and safety, ESG, and cyber security.
- An organisational structure with clearly defined limits of responsibility and authority to promote effective and efficient operations.
- A performance management appraisal system, which covers the Group's senior management based on agreed financial and other performance objectives.
- Significant emphasis on cash flow management. Bank balances and available liquidity are reviewed on a regular basis and cash flows are compared to forecast.
- Reporting to the Board and/or its committees on specific matters including updated key risks, taxation, pensions, insurance, treasury management, interest and commodity exposures. The Audit Committee approves the Group's treasury policies.
- Defined capital expenditure and other investment approval procedures, including due diligence requirements where businesses are being acquired or divested, or there is a material change in operational or corporate structure.
- Policy suite that covers regulatory requirements, including anti-bribery and corruption, cyber security, health and safety and hazard awareness, Corporate Criminal Offence, with training and compliance monitoring.

Any control weaknesses that these procedures identify are monitored and addressed in the normal course of business. No control failings or weaknesses that are material to the Group as a whole have been identified in the year to 30 March 2024.

Process for preparing consolidated financial statements

The Group has established internal control and risk management systems in relation to the process for preparing consolidated financial statements. The key features of these internal control and risk management systems are:

- The Internal Audit and Risk function and management conduct various checks on internal financial controls periodically.
- Management regularly monitors and considers developments in accounting regulations and best practice in financial reporting, and where appropriate, reflects developments in

the consolidated financial statements. Appropriate briefings and/or training are provided to key finance personnel on relevant developments in accounting and financial reporting. The Audit Committee is also kept appraised of such developments.

- Any recommendations from the auditors, the Financial Reporting Council, and others in respect of financial reporting are assessed with a view to continuous improvement in the quality of the Group's financial statements.
- The monthly financial performance of the Group is subject to review by both the ELT and the Board.
- The Group's financial results, which consolidates the results of each operating segment and makes appropriate consolidation adjustments, is subject to various levels of review by the Group Finance function.
- The draft consolidated financial statements are reviewed by an individual independent from those individuals who were responsible for preparing the financial statements. The review includes checking internal consistency, consistency with other statements and arithmetical accuracy.
- The Audit Committee and the Board review the draft consolidated financial statements. The Audit Committee receives reports from management and the external auditors on significant judgements, changes in accounting policies, changes in accounting estimates and other pertinent matters relating to the consolidated financial statements.
- The financial statements are subject to external audit.
- The Group uses the same firm of statutory auditors to audit all material Group companies.

Alternative Performance Measures ('APMs')

The Group's performance measures continue to include a number of measures that are not defined or specified under IFRS. The Audit Committee has considered presentation of these additional measures in the context of the guidance issued by the European Securities and Markets Authority ('ESMA') and the FRC in relation to the use of APMs, challenge from the external auditor, and the requirement that such measures provide meaningful insight for shareholders into the results and financial position of the Group. The Committee reviewed the APMs used within the Group's financial statements, how the APMs were defined and the rationale for their use.

APMs are defined relative to the equivalent IFRS measures on page 62.

Fair, balanced and understandable

The Board requested that the Audit Committee confirm whether the Annual Report and accounts taken as a whole were fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's position and performance, business model and strategy. The Audit Committee recommended that the Board make this statement, which is set out on page 119.

In making this recommendation, the Committee considered the process for preparing the Annual Report, which included regular cross functional reviews from the teams responsible for preparing the different sections of the report, senior management review and verification of the factual contents. The review also considered:

- the balance and consistency of information;
- the disclosure of the risks facing the business;
- whether the overall message of the narrative reporting is consistent with the financial statements;
- whether the overall message of the narrative reporting is appropriate, in the context of the industry and the wider economic environment;
- whether the Group Chair's statement and CEO's review include a balanced view of the Group's performance and prospects; and
- whether the Annual Report is consistent with messages already communicated to investors, analysts and other stakeholders.

Significant issues in relation to the financial statements

The Committee considered the following significant issues in relation to the financial statements with management and the internal and external auditors during the year:

Commercial arrangements

Commercial payments to customers in the form of rebates and discounts represent significant balances in the income statement and balance sheet. Calculations of these balances require management assumptions and estimates, including volumes sold and the period of the arrangements. The Committee reviewed the assumptions and estimates and the level of accruals and provisions in detail. Further information is set out in note 3.3 on page 141.

Carrying value of goodwill and brands

Goodwill and brands represent a significant item on the balance sheet and their valuation is based on future business plans whose outcome is uncertain. The value of goodwill is reviewed annually by management and the Committee and the brands are reviewed at each reporting date to establish if there is an indicator of impairment, an impairment test of the brand assets only being conducted if there are indicators of impairment. There were no indicators of impairment at year end (FY22/23: None). The impairment testing for goodwill and brands is based on a number of key assumptions that rely on management judgement.

For the purpose of goodwill, the Group has three cash-generating units ('CGUs') – Grocery, Sweet Treats and International. The Committee reviewed the results of the goodwill impairment testing of the Grocery CGU and the review of the carrying value of certain of the Group's brands. The goodwill attributable to the Sweet Treats CGU was impaired in 2015 and the International CGU has no goodwill or intangible assets. The results of the impairment testing included management's assumptions in respect of cash flows, long-term growth rates and discount rates. The Committee also considered sensitivities to changes in assumptions and related disclosure, as required by IAS 36. This year's review concluded that no impairment of goodwill or brands was required. Further information is set out in notes 12 and 13 on pages 150 to 152.

Carrying value of the Parent Company's investments in subsidiaries

The carrying value of the Parent Company's investments in its subsidiaries is a significant item on the Parent Company's balance sheet. The investment is reviewed annually for impairment by management and the Committee. The cash flow forecasts used in the impairment model are based on the latest Board-approved five-year Strategic Plan, sensitivities then being applied to reflect the potential impact of future inflation and impact of climate change in line with RCP 8.5. This year's review concluded that no impairment of the Parent Company's investment in its subsidiaries was required. Further information is set out in note 4 to the Parent Company's financial statements on page 180.

Defined benefit pension plans

The Group operates several defined benefit schemes. The schemes are closed to future accrual but hold substantial assets and liabilities. With effect from 30 June 2020, the Premier Foods Pension Scheme (PFPS) and Premier Grocery Products Pension Scheme (PGPPS) were merged on a segregated basis with the RHM Pension Scheme. Valuation of the scheme liabilities is based on a number of assumptions, such as inflation, discount rates and mortality rates, each of which could have a material impact on the valuation under IAS 19 included in the balance sheet. The Group's RHM Pension Scheme also holds assets for which quoted prices are not available. As at 30 March 2024, the RHM Pension Scheme reported a surplus of £799.2m and the Premier Schemes reported a deficit of £(197.7)m (FY22/23: RHM Pension Scheme surplus of £948.3m; Premier Schemes deficit of £(182.8)m). Asset values and liabilities fell in both sections of the schemes due primarily to lower returns of scheme assets reducing pension asset valuations. The Committee reviewed the basis for management's assumptions and the movements in the IAS 19 valuation in detail over the year. The financial assumptions were based on the same methodology as last year. Further information is set out in note 14 on pages 153 to 159.

Acquisition accounting

The acquisition of *FUEL10K* was a significant transaction for the Group during the year and the Committee reviewed the purchase price allocation and accounting for the transaction. The purchase price allocation workstream established a fair value for the Purchase Consideration, including the estimation of the fair value of the earn-out (the additional consideration payable to the vendor contingent on business performance), before deducting acquired net assets to give Excess Consideration for allocation to the value of Brand asset acquired and residual goodwill. The brand asset was determined to have a 15-year useful economic life, which reflects that *FUEL10K* is a younger brand with significant growth potential. A relief from royalty approach was then taken to value the brand asset, with the remaining Excess Consideration being residual goodwill representing the benefit of acquiring the brand, together with the other assets, as a going-concern that operates as a business. Further information is set out in note 28 to the Group financial statements on pages 172 and 173.

Non-trading items

In identifying non-trading items, management have applied judgement including whether i) the item is related to underlying trading of the Group; and/or ii) how often the item is expected to occur.

PwC undertook comprehensive testing of items that have been considered 'non-trading', at both the half year and full year. The Committee also reviewed these items, and provided challenge to management, in order to ensure these items do require separate disclosure by virtue of their nature and size, so that the users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance. Following this review, the Committee confirmed that the approach taken was appropriate.

Viability and going concern

The Audit Committee conducted detailed reviews of the Group's viability and going concern, taking into account downside assumptions modelled as a severe, but plausible, downside, including the potential impact of inflation and continued global political uncertainty driven by current conflicts. The Committee provided challenge to management on the risks considered as part of the assessment. Following the review, the Committee concluded that it was reasonable for the Board to expect that the Group would have adequate resources to operate for the foreseeable future and, therefore, recommended that the viability statement (set out on pages 71 and 72) and the going concern statement (set out in note 2.1 on pages 133 and 134 could be supported.

Committee evaluation

As part of the external Board evaluation exercise conducted during the year (see pages 82 to 83 for more information), a review of the Committee's effectiveness was also undertaken. The review included the management of meetings, quality of papers and presentations, and the Committee's effectiveness in assessing the work of the internal and external auditors, the financial statements, risk management and internal controls. Following the review, it was confirmed that the Committee remained effective. An action plan for the coming year was agreed, which included the need to maintain focus on the implementation of the Group's Internal Controls procedures, enhance the risk management process and continue to support and strengthen the Internal Audit function.

The Committee met with the internal and external auditors on four occasions in the year without the presence of management. This provides an opportunity for the Committee to discuss matters independently of management, assess the relationship between management and both the internal and external auditors, and to discuss any potential areas of concern. In addition, as Committee Chair I also met independently with the CFO, lead audit partner and Director of Internal Audit and Risk, on several occasions, to discuss key audit matters.

Tim Elliott

Audit Committee Chair

16 May 2024

Directors’ remuneration report

Annual Statement

Dear shareholder,

On behalf of the Board, I am pleased to present the Directors’ remuneration report for the 52-week period ended 30 March 2024.

Overview of performance

The business delivered a very strong performance over the year, making good progress against each of the Group’s strategic pillars. The Group delivered branded revenue growth of 13.5%, demonstrating the continued success of the Group’s branded growth model. Revenue from new categories increased by 72.3%, driven by *Ambrosia* porridge pots, and the International business grew by 12% (at constant currency), with *Mr Kipling* building distribution in the USA and cake reaching a record market share of 16.1% in the year in Australia. In October 2023, the Group announced the acquisition of the *FUEL10K* breakfast brand, providing a platform to accelerate expansion into the breakfast category.

Headline revenue of £1,122.6m was +15.1% versus prior year, and Trading profit of £179.5m was +14.0% versus prior year, both ahead of market expectations. Net debt, which included the impact of the acquisition of the *FUEL10K* acquisition, reduced by £39m. Taking into consideration the economic headwinds over the past 12 months, the Board believes that these results demonstrate the effectiveness of the Group’s branded growth model and the capabilities of the management team.

In addition, in March 2024, the Group announced the suspension of future pension deficit contribution payments from 1 April 2024. The suspension of contributions has taken place earlier than originally expected, reflecting the strong performance of the pension scheme, and means that the Group will benefit from £33m of increased free cash flow for the financial year ending 29 March 2025. This provides us with enhanced capital allocation options to deliver the Group growth ambitions.

Annual Bonus performance outcome for FY23/24

As highlighted above, the Group has continued to make good progress with the execution of the Group’s growth strategy, delivering strong Trading profit and operating cash flow, resulting in both of the financial targets in the annual bonus plan being exceeded. The Committee also assessed the non-financial targets set for the CEO and CFO, which were based on strategic and ESG objectives and, following strong performances against the stretching objectives set, it was determined that both the CEO and CFO had fully achieved these objectives.

In assessing the annual bonus outcome, the Committee also undertook a review of each director’s individual performance, the overall performance of the business and the experiences of key stakeholders, including shareholders, colleagues, suppliers and customers. Taking this into account, the Committee awarded a bonus of 100% of maximum to Alex Whitehouse (£833,372, representing 150% of salary) and a bonus of 100% of maximum to Duncan Leggett (£476,602, representing 125% of salary). Full details of the targets and performance over the period are provided on pages 102 and 103.

One-third of the annual bonus payment will be made in the form of shares, deferred for a three-year period under the Deferred Bonus Plan (DBP). Details of the DBP are set out on page 104.

Long-Term Incentive Plan (‘LTIP’)

The Committee assessed the performance conditions for the 2021 LTIP award. TSR performance was above the upper quartile compared to the FTSE All-Share comparator group (positioned between 39th and 40th out of 353 companies), and adjusted EPS of 13.7p exceeded the maximum target set, meaning that both elements of the award will vest in full in June 2024, and be subject to a two-year holding period. Full details of the targets and performance over the period are provided on page 104.

When assessing the annual bonus and LTIP outcomes, the Committee undertook an assessment ‘in the round’, to ensure that the outcomes are a fair reflection of overall Company performance and aligned with the experience of other stakeholders. As part of this, the Committee took into account the strong performance context, set out earlier in this Annual Statement, as well as the fact that the success of the business over the last three years has been shared with colleagues and has resulted in a significant increase in the share price and creation of shareholder value. Colleagues have also been able to benefit from this share price growth, through participation in the Group’s Sharesave scheme – the 2020 Award vested on 1 February 2024 and provided a return of 93% (based on the share price on the date of vesting). The increased financial strength of the business has enabled the reintroduction of dividend payments in 2021, and a final dividend for FY23/24 of 1.728p per share has been recommended by the Board, representing an increase of 20% versus prior year.

Taking all of the above into account, alongside the wider performance context detailed elsewhere in this Annual Report, the Committee considered that the annual bonus and LTIP outcomes are a fair reflection of Company and individual performance in the year. As such, the Committee has not exercised its discretion to adjust the formulaic outcomes.

2023 Director’s Remuneration Policy review and arrangements for FY24/25

Our 2023 Directors’ Remuneration Policy was put to a binding shareholder vote at AGM in July 2023, and we would like to thank shareholders for their strong support, with over 96% voting in favour. A summary of the key elements of the Policy is set out on page 99.

The Committee considers that the Remuneration Policy operated as anticipated over the financial period, and no changes are proposed to the Policy for FY24/25.

During the year, the Committee carried out a review of arrangements, to ensure the overall remuneration strategy for executive directors and senior management remained competitive and continued to drive the right behaviours and support the implementation of the Group’s strategy.

Executive directors’ salaries

As highlighted above, the Group continues to deliver very strong performance. This strong operational and strategic performance over the last year has led to the creation of significant shareholder value of c.£250m, and has allowed the Group to deliver a shareholder return of 23%, outperforming the FTSE 250 index (which was up 10% in the period). Over a longer period of five years, broadly aligned with when Alex Whitehouse was appointed as CEO and Duncan Leggett was appointed as CFO, the Group has delivered a shareholder return of 381%, significantly outperforming the FTSE 250 index (which was up 20% over the period). In that time, Premier Foods has also been promoted from the FTSE SmallCap Index to the FTSE 250 Index and is now positioned in the top half of that index (the Group's current market cap of c.£1.4bn places us at around position 102 in the FTSE 250).

Over the course of the year, the Committee has reviewed the approach to base salaries to ensure that they reflect the performance of the Group and the individuals, and the increased size and complexity of the organisation, as outlined above. With this in mind, it is proposed that the executive directors' salaries are increased, with effect from 1 July 2024, as follows:

	Salary for FY24/25	Salary as at 30 March 2024	Change
Alex Whitehouse	£620,000	£562,275	10.3%
Duncan Leggett	£415,000	£385,875	7.5%

The Committee recognises that these salary increases will be above the likely salary review for colleagues not involved in collective bargaining, which is expected to be between 3% and 3.5%. However, the Committee is conscious that current salaries have fallen behind market for the size and scope of our organisation, and these increases bring salaries more in line with comparable roles at companies with a similar market capitalisation to Premier Foods. The Committee believes that the proposed salaries are a fairer reflection of our organisational size, the complexity of the executive directors' roles as the Group continues to grow both within the UK and internationally, and the sustained excellent performance of the executive directors in delivering against our strategy and creating value for shareholders.

These changes will position the CEO's total maximum compensation package just below the FTSE 250 median, and the CFO's total maximum compensation package between the FTSE 250 lower quartile and median. The Committee considers that this market positioning is an appropriate reflection of the increased size and complexity of the business, the executive directors' sustained excellent performance in role, and our improved positioning within the FTSE 250.

It is the Committee's current intention that any increases next year will be in line with colleagues not involved in collective bargaining.

Group Chair and NED fees

Due to the increased size and complexity of the business, the Committee also reviewed the Group Chair and NED fees during the course of the year and determined that an increase, in line with the salary review for colleagues not involved in collective bargaining, in July 2024 (currently expected to be between 3% and 3.5%), is appropriate. In making this decision, the Board was mindful that the NED base fee and fees for chairing a Committee have not been increased for well over 10 years, that the Senior Independent Director fee was last increased in 2015, and that the Group Chair fee was last increased in 2022.

Annual Bonus measures

For FY24/25, the annual bonus will continue to be based 50% on Trading Profit, 20% on operating cash flow and 30% on strategic and ESG measures.

LTIP measures

Following a review of the performance measures for the LTIP, it was agreed that the current measures of 50% relative TSR and 50% adjusted EPS remain the most appropriate for the Group and continue to be aligned with the delivery of the Group's strategy.

The Committee reviewed the targets for the annual bonus and LTIP in FY24/25, and agreed that they are challenging and set at levels that will reward very good performance. They are also considered to be aligned with the Group's strategic priorities – further details of the measures are provided on page 114.

Relationship between ESG matters and remuneration arrangements

Our ESG strategy continues to be a critical part of our business strategy and remains important to our stakeholders. ESG performance has been assessed within the executive directors' annual bonus goals since FY20/21. ESG will again form part of the executives' annual bonus goals for FY24/25. In addition, as part of their overall review of the Group's remuneration strategy, the Committee ensures that arrangements encourage behaviour that is aligned with the Group's ESG strategy. Further information regarding the Group's Enriching Life Plan is set out on pages 30 to 41.

Wider workforce

The management team remains aware of the ongoing impact of the inflationary environment on the workforce as a whole and this has been recognised when setting salary increases for colleagues over the year. In addition, reflecting the Group's strong performance in FY23/24, a discretionary bonus was paid in March 2024 to colleagues who are not part of the annual bonus scheme, to enable all colleagues to share in the Group's success.

During the year, as Workforce Engagement NED, I have provided updates to the Remuneration Committee on meetings held with colleagues across the business, which covered a range of topics, including engagement on executive remuneration and how it aligns with pay for the wider workforce. The Committee also reviewed information on broader workforce pay policies and practices, which provided important context for the decisions on executive pay taken during the year. The pension levels for the executive directors are aligned with that available to the rest of the workforce. The operation of the annual bonus scheme is consistent for all participants and any financial measures are aligned with the overall Group targets. The executive directors have other additional constraints on their remuneration package, which are not applicable to the wider management population, such as bonus deferral and the LTIP holding period.

The Group also operates an all-employee Sharesave Plan, which allows all colleagues to share in the success of the Group. The colleague participation rate in this scheme is currently 36%.

I look forward to receiving your support for the Directors' Remuneration Report at the 2024 AGM.

On behalf of the Board

Helen Jones
Remuneration Committee Chair

16 May 2024

Overall approach to remuneration

At Premier Foods, the Remuneration Policy is designed to attract, retain and motivate a high-calibre management team. Focus is placed on driving exceptional performance and creating shareholder value in a sustainable way, as well as aligning the interests of the executive directors with key stakeholders.

The Committee applies the following broad principles when considering the design, implementation and assessment of remuneration, in line with the recommendations set out in Provision 40 of the 2018 UK Corporate Governance Code:

Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce

The Company's Remuneration Policy is designed to support the delivery of the Group's strategic objectives, which are aligned with the long-term interests of both shareholders and key stakeholders, including employees. The Committee is committed to being transparent in respect of the elements of remuneration, quantum, the rationale for targets set and performance outcomes. The work of the Workforce Engagement NED provides an opportunity for engagement with colleagues on executive remuneration. The Committee engages with shareholders and is keen to understand their views and priorities. Recent engagement has included discussion to understand shareholder views on the 2023 Directors' Remuneration Policy, which was submitted for shareholder approval at the AGM in July 2023 (further information is set out on page 99).

Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand

The Committee believes the current arrangements for executive directors to be simple. These consist of the following elements:

- A fixed element that comprises salary, pension and taxable benefits.
- A variable element that is subject to performance conditions and comprises:
  - short-term goals via the annual bonus plan; and
  - long-term goals via the Long-Term Incentive Plan.

The Committee considers that the current arrangements are clear, easy to understand and provide an appropriate balance between fixed and variable remuneration. During the year, the Committee reviewed the annual bonus and LTIP measures for the executive directors and believes that they remain aligned to the delivery of the Group's strategy and that targets are suitably stretching.

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

Targets are reviewed to ensure they reflect the overall risk appetite set by the Board and that they do not encourage inappropriate behaviours or excessive risk-taking.

Mitigation is provided through the recovery provisions that apply to both the annual bonus and LTIP. Malus and clawback provisions apply in line with current best practice expectations. Holding periods are in place for awards under the Deferred Bonus Plan and LTIP. In addition, a formal post-employment shareholding guideline was introduced as part of the 2023 Directors' Remuneration Policy.

Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the Policy

The Committee assesses the potential outcome of future reward by reference to potential pay-outs that can be received at a range of outcomes (minimum, target and maximum), as set out in the 2023 Directors' Remuneration Policy, which is included in the FY22/23 Annual Report. In addition, the effect of future share price growth under the LTIP is also considered, based on a 50% increase in share price over the period.

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

The Committee seeks to ensure that targets for the annual bonus and long-term incentives are aligned with the Group's strategy and the long-term sustainable development of the business.

The focus of our remuneration strategy is on rewarding performance – the majority of executive remuneration (over 75% at maximum) is variable and only payable if demanding performance targets are met. The targets for the annual bonus and the LTIP are designed to be appropriately stretching. The majority of variable pay is payable in the form of shares.

When setting targets for variable elements of pay, the Committee carefully considers the targets to minimise the risk of excessive reward.

When assessing performance against the annual bonus and LTIP, the Committee also considers:

- the overall performance of the business;
- the experience of key stakeholders including shareholders, employees, suppliers and customers;
- the quality of earnings when assessing the achievement of financial targets; and
- the market in which the Company operates.

The Committee retains discretion to override formulaic outcomes produced by the performance conditions where, in the Committee's view, they do not reflect the performance of the business or the individual over the period, or where events happen that cause the Committee to determine that the conditions are unable to fulfil their original intended role.

Alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy

As part of the preparation of the 2023 Directors' Remuneration Policy, the Committee reviewed the overall design of the Group's remuneration strategy and believes that it is consistent with the Company's purpose, values and strategy, and is aligned with the Group's culture. When setting the goals for the annual bonus and LTIP award, the Committee considers a range of different potential measures, in order to select those which it believes are most likely to drive the successful delivery of the Group's strategy and those which are aligned with shareholders' interests to deliver earnings growth and improved shareholder value in the medium-term (further details are set out on page 99).

Summary of the Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved by shareholders at the AGM on 20 July 2023 (with 96.24% votes in favour). The following table presents a summary of the key elements of the current Directors' Remuneration Policy and how it will be implemented in FY24/25. The full policy is available in the FY22/23 Annual Report, which can be found on the Group's website at www.premierfoods.co.uk

Current elements of remuneration and operation	How we plan to implement the Policy in FY24/25
Salary Set at levels to attract and retain talented individuals with reference to the size and complexity of the business, the specific experience, skills and responsibilities of the individual, and the market rates for companies of comparable size and complexity and internal Company relativities. Normally reviewed annually (currently with effect from 1 July) in conjunction with those of the wider workforce.	No change to Policy. For FY24/25: • CEO – £620,000 (10.3% increase) • CFO – £415,000 (7.5% increase) Further context for these salary increases is provided on page 97.
Benefits Benefits include: cash allowance in lieu of company car; fully expensed fuel; private health insurance; life insurance; permanent incapacity benefit; professional memberships; and other ancillary benefits.	No change to Policy.
Pension Pension contributions in line with that offered to the rest of the workforce (currently a salary supplement of 7.5% of base salary up to an earnings cap).	No change to Policy.
Annual Bonus Maximum opportunity: • CEO: 150% of salary • CFO: 125% of salary One-third of earned bonus is deferred into shares for three years. Awards are subject to malus and clawback provisions.	No change in maximum opportunity. Awards will be subject to the following performance measures: • Trading profit (50% weighting); • Operating cash flow (20% weighting); and • Strategic and ESG objectives (30% weighting). Awards are also subject to a Trading profit underpin.
Long-Term Incentive Plan The Premier Foods Long-Term Incentive Plan ('LTIP') provides a clear link to our strategic goal of delivering profitable growth with sustainable share price growth over the medium to long-term. Maximum opportunity: • CEO: 200% of salary • CFO: 150% of salary Awards are subject to a three-year performance period, followed by a two-year holding period. Awards are subject to malus and clawback provisions.	No change in LTIP award levels for FY24/25. Awards are subject to the following performance measures: • Relative TSR (50% weighting); and • Adjusted EPS (50% weighting).
Shareholding guideline 200% of salary. Executive directors are expected to retain 50% of shares from vested awards under the DBP and LTIP until they reach the guideline.	No change to Policy. The current shareholdings are: • CEO – 720% of salary • CFO – 307% of salary
Post-employment shareholding guideline 100% of in-employment shareholding guideline (or actual shareholding at the date of departure, if lower) to be held for the first year post-cessation, and 50% in the second year.	No change to Policy.

Annual Report on Remuneration

An advisory vote on the Directors' Remuneration Report will be put to shareholders at the 2024 AGM. The Committee believes that the Remuneration Policy operated as intended in the year.

Single figure table for total remuneration (audited)

Single figure for the total remuneration received by each executive director for the 52 weeks ended 30 March 2024 (FY23/24) and the 52 weeks ended 1 April 2023 (FY22/23).

	Alex Whitehouse		Duncan Leggett	
	FY23/24 £'000	FY22/23 £'000	FY23/24 £'000	FY22/23 £'000
Salary	**556**	529	**381**	363
Taxable benefits[1]	**41**	42	**26**	25
Pension	**15**	14	**15**	14
Total fixed remuneration	**612**	585	**422**	402
Annual bonus[2]	**833**	661	**477**	363
LTIPs[3, 4]	**978**	1,365	**404**	527
Total variable remuneration	**1,811**	2,026	**881**	890
Single figure for total remuneration	**2,423**	2,611	**1,303**	1,292

1 Both directors were granted an award over 2,886 shares under the all-employee Sharesave Plan on 15 December 2023. An amount of £817 has been included within benefits with respect to this plan, which represents the 20% discount to the share price on the grant date (see the executive share awards table on page 107 for more information).

2 One-third of the annual bonus will be deferred into shares for three years, which are awarded under the terms of the DBP. Further details on DBP awards are set out on page 104. The awards are subject to continued employment and forfeiture and clawback provisions.

3 The figures for share-based payments for FY23/24 are an estimate of the value of the 10 June 2021 LTIP awards (representing 688,073 shares for the CEO and 284,403 shares for the CFO), which will vest in full in June 2024, based on the three-month average price to 30 March 2024 of 142.09p. The share price at the date of grant was 108.6p so 23.6% of the value reported in the single figure is attributable to share price appreciation in the period (representing £230,472 for the CEO and £95,262 for the CFO). No discretion has been exercised in relation to this (see page 104 for further information).

4 In line with statutory reporting requirements, the FY22/23 share-based award figures have been adjusted from that in last year's report, to show the value upon vesting of the June 2020 LTIP award on 25 June 2023, based on a share price of 129.0p.

Base salary and fees (audited)

The Committee sets base salary by reference to the size and complexity of the business, based on factors such as market capitalisation, revenue, market share and total enterprise value.

The salary increases for executive directors for FY23/24, effective from 1 July 2023, were lower than the average rate of increase for the Group's colleagues.

	Salary as at 30 March 2024	Salary as at 1 April 2023	Change
Alex Whitehouse	**£562,275**	£535,500	+5.0%
Duncan Leggett	**£385,875**	£367,500	+5.0%

Benefits (audited)

Benefits provided for the period related to the provision of car allowance, private fuel, private medical insurance, permanent health insurance and professional membership.

Pension (audited)

Under the Company's current Remuneration Policy, pension entitlements for executive directors are aligned with those available to the rest of the workforce, which currently equates to a contribution of 7.5% of basic pay up to an earnings cap (£205,200 for the 2023/24 tax year). Executive directors have the right to participate in the Group's defined contribution ('DC') pension plan, with any contribution above their annual allowance paid as cash. During the year, Alex Whitehouse and Duncan Leggett both participated in the Group's DC pension plan. Neither executive director participated in the Group's Defined Benefit pension scheme by reason of qualifying service.

The table below provides details of the executive directors' pension benefits in FY23/24:

	Cash in lieu of contributions to the DC-type pension plan £'000	Company contributions to the Group's DC pension plan £'000
Alex Whitehouse	5	10
Duncan Leggett	5	10

Annual bonus (executive directors) (audited)

Each year, the Committee sets individual performance targets and bonus opportunities for each of the executive directors. Annually, the Committee reviews the level of achievement against the performance targets set and, based on the Committee's judgement, approves the bonus of each executive director. Annual bonus payments are not pensionable.

Performance assessment for FY23/24

In line with the Remuneration Policy, for FY23/24, the CEO and CFO had maximum bonus opportunities of 150% of salary and 125% of salary respectively. Performance was measured against targets relating to Trading profit (50% weighting), operating cash flow (20% weighting), strategic objectives (20% weighting) and ESG (10% weighting).

The Committee undertook a full and detailed review of the performance of each executive director against their financial and non-financial targets, including a 'performance in the round' assessment, which is set out below and in the Committee Chair's Annual Statement.

As stated earlier in this Annual Report, despite a number of challenges, the Group delivered a strong set of results in FY23/24. Trading profit was £179.5m, up +14.0% and Operating cash flow was £168.7m, up +18.6%, versus last year, driven by the effective execution of the Group's strategy by the management team.

The tables below set out performance compared to the financial and non-financial targets set at the start of the year.

Financial measures (audited)

	Annual bonus FY23/24					
Performance measure	**Threshold (0%)**	**Target (50%)**	**Stretch (100%)**	**Performance outcome**	**Weighting**	**Performance (% of max bonus)**
Financial targets (subject to a Trading profit underpin of £158.0m)						
Trading profit	£158.0m	£163.0m	£170.0m	£179.5m	50.0%	50.0%
Operating cash flow	£119.4m	£124.4m	£130.4m	£168.7m	20.0%	20.0%
					70.0%	70.0%

Strategic and ESG measures (audited)

Alex Whitehouse

Performance measure	Performance outcome	Weighting	Performance (% of max bonus)
Non-financial targets (subject to a Trading profit underpin of £158.0m)			
Strategic	**New category development:** Increased turnover of *Ambrosia* porridge pots by +111% over the year, ahead of the stretch target. This was facilitated by freeing additional capacity at the Lifton site, ahead of plan. In addition, Board approval was obtained for a significant investment in a new production line, to help meet forecast demand. **International expansion:** Increased listings for Cake in the USA to over 3,000 stores, ahead of the stretch target and sales of strategic focus brands within the Group's strategic growth markets increased to £40m, also ahead of the stretch target.	20.0%	20.0%
Environment, Social and Governance (ESG)	**Product:** Over the year, the business launched or reformulated 209 products which support high nutritional standards and 142 products which offer an additional health and/or nutrition benefit, including reducing salt across the *Sharwood's* noodles range and extending the *Mr Kipling* Deliciously Good range to Cherry Bakewell and Loaf Cakes. As a result, turnover of products that meet high nutritional standards increased to £397m, ahead of the stretch target. **Planet:** Development of a new approach to managing key waste streams at our Lifton factory helped to reduce food waste across our operations by -8.4% versus prior year, ahead of the target. **People:** Continued to make progress improving accessibility to leadership roles through enhanced recruitment, development and mentoring programmes. The proportion of women in senior management roles increased to 41%, (up from 28% in FY20/21, when we launched the target) and we are on track to achieve our long-term goal of gender parity by 2030.	10.0%	10.0%
		30.0%	30.0%
	Final outcome	100.0%	100.0%

Duncan Leggett

Performance measure	Performance outcome	Weighting	Performance (% of max bonus)
Non-financial targets (subject to a Trading profit underpin of £158.0m)			
Strategic	**Margin and cost savings:** Led Group wide margin and savings programme, including supply chain, procurement and wider margin management, to fund additional investment in the business. This delivered costs savings above the stretch target. **Internal controls over financial reporting:** Appointed external implementation partner and additional internal resource to strengthen the Internal Control function. Significant progress made to complete the initial phase of project covering enhancement of process documentation, identification of key financial controls and the implementation of management testing and remediation plans. On track to implement the Group's enhanced internal control framework to align with the requirements of the UK Corporate Governance Code 2024.	20.0%	20.0%
Environment, Social and Governance (ESG	**TCFD Reporting:** Strengthened disclosure of metrics used to assess and manage climate-related risks and opportunities. Adopted SASB (Sustainable Accounting Standards Board) Food and Beverage sector template for the first time and continued to assure key ESG metrics to ISAE3000. Achieved full TCFD compliance for FY23/24. **Internal Audit and Risk:** Strengthened Internal Audit with additional in-house resource and the appointment of new Internal Audit co-source partner. A programme to enhance the risk management process was launched in the year and significant progress made to develop an enhanced internal control framework to align with the UK Corporate Governance Code 2024 requirements, in line with the Board's expectations.	10.0%	10.0%
		30.0%	30.0%
	Final outcome	100.0%	100.0%

The Committee considered the executives' achievements against their strategic and ESG objectives and the maximum bonus outturn in the round, taking into account both the very strong progress delivered in the year and the announcement, in March 2024, regarding the suspension of future pension deficit contributions, in determining that a 100% pay-out for these elements was appropriate.

The Committee considered the formulaic outcomes of the annual bonus assessment in the context of the current external environment, wider company and individual performance, the shareholder experience, the customer experience and the treatment of colleagues throughout the rest of the Group. In addition to the operational highlights set out above, in FY23/24, Premier Foods has created approximately £250m of shareholder value, and delivered a shareholder return of 23% during the period, outperforming the FTSE 250 index (which was up 10% in the period).

The Committee believes that the executive directors continued to respond both decisively and effectively to the macro-economic challenges posed by significant inflationary pressures, enabling the Group to perform successfully during FY23/24. In light of the Group's excellent financial performance, the strategic progress, and focus on the overall colleague experience, the Committee concluded that the formulaic outcomes of the annual bonus assessment were justified, and that no discretion was required. Further detail is provided in the Annual Statement by the Committee Chair.

Long-Term Incentive Plan (‘LTIP’)

Performance assessment for the June 2021 LTIP award (audited)

The performance conditions for the 10 June 2021 LTIP award were based on a relative TSR condition (comprising two-thirds of the award) and an adjusted EPS condition (comprising one-third of the award). The Committee assessed the two performance conditions in May 2024 and concluded that both the relative TSR target and the adjusted EPS target had been fully achieved, which will result in full vesting of the LTIP award in June 2024. Awards are also subject to a two-year holding period. The TSR of Premier Foods over the three-year performance period was 58.7%, representing significant shareholder value creation and was significantly above the upper quartile TSR in the comparator group of circa 30.5%. The adjusted EPS performance of 13.7p was ahead of target and market expectations.
The 2021 LTIP award was granted in June 2021 following a period of significant share price growth and was therefore made at a higher share price than the 2020 LTIP awards, so there are no ‘windfall gains’ associated with this award. The Committee considered that the vesting reflected the underlying performance of the business and was appropriate. The Committee’s view is that the share price growth delivered since grant reflects the continued strong delivery against our strategy and the actions taken by management and, therefore, it is considered appropriate that participants are rewarded for this. Details of the vesting outcomes are provided in the table below.

June 2021 LTIP

		Targets				Outcome		No. of shares to vest[3]	No. of shares to vest[3]
Performance measure	**Weighting**	**Below threshold**	**Threshold**	**Target**	**Stretch**	**Actual performance**	**Payout**	**Alex Whitehouse**	**Duncan Leggett**
Relative TSR[1]	2/3	< Median	Median	N/A	Upper quartile	Between 39th and 40th out of 353 companies	100%	688,073	284,403
Adjusted EPS	1/3	< 10.6p	10.6p	11.1p	11.6p	13.7p	100%		
% of relevant portion of award vesting[2]		0%	20%	50%	100%				

1 Measured against the constituents of the FTSE All Share Index (excluding investment trusts) at the start of the period.
2 FY21/22 base year adjusted EPS was 11.0p.
3 Straight-line vesting between threshold and target and between target and stretch.
4 Dividend equivalent shares will be added, once the award has vested.

Scheme interests awarded during the financial year

Deferred Bonus Plan (‘DBP’) award FY23/24 (audited)

One-third of any annual bonus payment awarded to executive directors is made in the form of shares. These shares are awarded under the terms of the DBP, which was approved by shareholders in July 2017. Awards will normally be made within six weeks following the announcement of the Group’s full year results. The awards will normally vest on the third anniversary of grant and be awarded in the form of nil cost options (with no performance conditions other than continued employment), which will be exercisable up until the tenth anniversary of grant. The shares are subject to forfeiture and clawback provisions. DBP awards were granted on 8 June 2023, as nil cost options based on a share price of 133.12p (representing the closing middle market quotation (MMQ) on the five dealing days prior to the date of grant), as set out below:

	FY22/23 Annual bonus	Bonus deferral (one-third)	No. of shares awarded	Deferral period
Alex Whitehouse	£661,407	£220,469	165,616	08.06.23 – 07.06.26
Duncan Leggett	£363,125	£121,042	90,926	08.06.23 – 07.06.26

June 2023 LTIP award for FY23/24 (audited)

Details of the LTIP award, granted in the form of nil-cost options on 8 June 2023, are set out below.

	Basis of award	No. of shares awarded	Face value on award date[1]	Performance period
Alex Whitehouse	150% of salary	603,403	£803,250	01.04.23 – 31.03.26
Duncan Leggett	100% of salary	276,066	£367,500	01.04.23 – 31.03.26

1 Determined based on the closing MMQ on the five dealing days ending 7 June 2023 of 133.12p.

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS[2]	50%	< 12.3p	12.3p	12.8p	13.3p
% of relevant portion of award vesting[3]		0%	20%	50%	100%

1 Measured against the constituents of the FTSE 250 Index (excluding investment trusts) at the start of the period.

2 FY22/23 base year adjusted EPS was 12.9p.

3 Straight-line vesting between threshold and target and between target and stretch.

August 2023 LTIP award for FY23/24 (audited)

As set out in last year's Annual Report, as part of the Company's 2023 Directors' Remuneration Policy, shareholder approval was sought to increase the LTIP opportunity for the CEO (from 150% to 200% of base salary) and for the CFO (from 100% to 150% of base salary). Following shareholder approval for the 2023 Directors' Remuneration Policy at the AGM held on 20 July 2023, the following additional LTIP awards were granted in the form of nil-cost options on 2 August 2023. To ensure consistency with the initial 2023/24 LTIP award, the same performance conditions and performance period have been applied.

	Basis of award	No. of shares awarded	Face value on award date[1]	Performance period
Alex Whitehouse	50% of salary	208,657	£267,749	01.04.23 – 31.03.26
Duncan Leggett	50% of salary	143,197	£183,750	01.04.23 – 31.03.26

1 Determined based on the closing MMQ on the five dealing days ending 2 August 2023 of 128.32p.

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS[2]	50%	< 12.3p	12.3p	12.8p	13.3p
% of relevant portion of award vesting[3]		0%	20%	50%	100%

1 Measured against the constituents of the FTSE 250 Index (excluding investment trusts) at the start of the period.

2 FY22/23 base year adjusted EPS was 12.9p.

3 Straight-line vesting between threshold and target and between target and stretch.

Additional context on these performance measures, weightings and targets was provided in the FY22/23 Directors' Remuneration Report.

Dilution limits

Awards under certain executive and all-employee share plans may be satisfied using either newly issued shares or shares purchased in the market and held in the Group's Employee Benefit Trust (which held 6,721,393 shares as at 30 March 2024). The Group complies with the Investment Association guidelines in respect of the dilutive effect of newly issued shares. The current dilutive impact of share awards over a 10-year period is approximately 5.2%.

Directors' remuneration report continued

Share ownership guidelines, vesting and retention periods

To align executive directors' interests with those of shareholders, executives must hold 200% of salary in shares (valued at year-end), and the Committee reviews progress against these requirements (see Statement of directors' shareholdings and share interests table below). Retention periods are in place for both the annual bonus scheme and LTIP, to encourage a focus on the long-term sustainable development of the business. One-third of any annual bonus award is deferred into shares for three years under the DBP and any shares which vest under LTIP awards granted since 2018 will be deferred for a further two-year period.

	Y1	Y2	Y3	Y4	Y5
Annual bonus (DBP)	● Performance period	● Retention period	● Retention period	● Retention period	
LTIP	● Performance period	● Performance period	● Performance period	● Retention period	● Retention period

● Performance period
● Retention period

Post-employment shareholding guideline

As part of 2023 Directors' Remuneration Policy that was approved by shareholders at the AGM last year, the Remuneration Committee introduced a formal post-employment shareholding guideline. Executives are required to maintain 100% of their in-employment guideline (or their actual shareholding at departure, if lower) for the first year post-cessation, and 50% in the second year.

Share ownership for the wider Group

The Committee recognises the importance of aligning colleagues' interests with those of shareholders and encourages share ownership in order to increase focus on the delivery of shareholder return. All members of the ELT participate in the LTIP. Participation in the Sharesave Plan currently represents approximately 36% of colleagues.

Statement of directors' shareholdings and share interests (audited)

The following table shows executive directors' interests in Company shares. Awards under the LTIP are subject to a three-year vesting period and will only vest if stretching performance conditions are met. Awards are also subject to a two-year holding period post vesting. The figures shown represent the maximum number of shares a director could receive following the end of the vesting period if all performance targets were achieved in full. All of the awards were granted in the form of options.

	No. of shares owned as at 30 March 2024[1]	No. of shares owned as at 1 April 2023	Share ownership guideline[2]	DBP Awards	LTIP Awards (vested)[3]	LTIP Awards (unvested)	Sharesave Awards	Total
Alex Whitehouse	575,971	461,703	720%	674,518	3,208,123	2,141,051	10,704	6,034,396
Duncan Leggett	151,999	115,478	307%	307,823	856,748	996,896	10,704	2,172,171

1 There were no changes in directors' share interests between year-end and 16 May 2024.

2 The Group's shareholding guidelines require executive directors to hold 200% of their salary in shares. The percentage stated includes the post-tax value of awards held under the Deferred Bonus Plan and vested LTIP awards, valued at the share price at year-end of 149.4p.

3 Vested but unexercised nil cost options.

Executive share awards (audited)

	Date of grant	Balance as at 1 April 2023	Awarded in the year/ dividend equivalents	Exercised in the year	Vested in the year[2]	Lapsed in the year	Balance as at 30 March 2024	Option price (p)	Share price on date of grant (p)	Share price on date of exercise (p)	Date of vesting/ becomes exercisable	Maximum Expiry date
Alex Whitehouse												
LTIP[1]	13.06.17	225,852	–	225,852	–	–	–	–	40.50	154.2	13.06.20	12.06.24
	08.08.18	779,497	–	–	–	–	779,497	–	41.20	–	08.08.21	07.08.25
	07.06.19	907,843	–	–	–	–	907,843	–	34.00	–	07.06.22	06.06.26
	25.06.20	1,040,145	17,738	–	1,057,883	–	1,057,883	–	69.50	–	25.06.23	24.06.27
	24.09.20	449,250	13,650	–	462,900	–	462,900	–	91.40	–	24.09.23	23.09.27
	10.06.21	688,073	–	–	–	–	688,073	–	108.60	–	10.06.24	09.06.31
	09.06.22	640,918	–	–	–	–	640,918	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	603,403	–	–	–	603,403	–	131.00	–	08.06.26	07.06.33
	02.08.23	–	208,657	–	–	–	208,657	–	123.60	–	02.08.26	01.08.33
DBP	25.06.20	138,254	2,357	–	140,611	–	140,611	–	69.50	–	25.06.23	24.06.30
	10.06.21	191,131	–	–	–	–	191,131	–	108.60	–	10.06.24	09.06.31
	09.06.22	177,160	–	–	–	–	177,160	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	165,616	–	–	–	165,616	–	131.00	–	08.06.26	07.06.33
Sharesave Plan[2]	15.12.20	7,531	–	7,531	–	–	–	71.70	95.00	150.0	01.02.24	31.07.24
	16.12.21	4,067	–	–	–	–	4,067	83.20	104.00	–	01.02.25	31.07.25
	19.12.22	3,751	–	–	–	–	3,751	85.40	107.40	–	01.02.26	31.07.26
	15.12.23	–	2,886	–	–	–	2,886	103.50	131.80	–	01.02.27	31.07.27
		5,253,472	1,014,307	233,383	1,661,394	–	6,034,396					
Duncan Leggett												
LTIP[1]	13.06.17	53,833	–	53,833	–	–	–	–	40.50	154.2	13.06.20	12.06.24
	25.06.20	401,459	6,846	–	408,305	–	408,305	–	69.50	–	25.06.23	24.06.27
	24.09.20	435,220	13,223	–	448,443	–	448,443	–	91.40	–	24.09.23	23.09.27
	10.06.21	284,403	–	–	–	–	284,403	–	108.60	–	10.06.24	09.06.31
	09.06.22	293,230	–	–	–	–	293,230	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	276,066	–	–	–	276,066	–	131.00	–	08.06.26	07.06.33
	02.08.23	–	143,197	–	–	–	143,197	–	123.60	–	02.08.26	01.08.33
DBP	25.06.20	34,289	584	–	34,873	–	34,873	–	69.50	–	25.06.23	24.06.30
	10.06.21	91,246	–	–	–	–	91,246	–	108.60	–	10.06.24	09.06.31
	09.06.22	90,778	–	–	–	–	90,778	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	90,926	–	–	–	90,926	–	131.00	–	08.06.26	07.06.33
Sharesave Plan[2]	15.12.20	7,531	–	7,531	–	–	–	71.70	95.00	150.0	01.02.24	31.07.24
	16.12.21	4,067	–	–	–	–	4,067	83.20	104.00	–	01.02.25	31.07.25
	19.12.22	3,751	–	–	–	–	3,751	85.40	107.40	–	01.02.26	31.07.26
	15.12.23	–	2,886	–	–	–	2,886	103.50	131.80	–	01.02.27	31.07.27
		1,699,807	533,728	61,364	891,621	–	2,172,171					

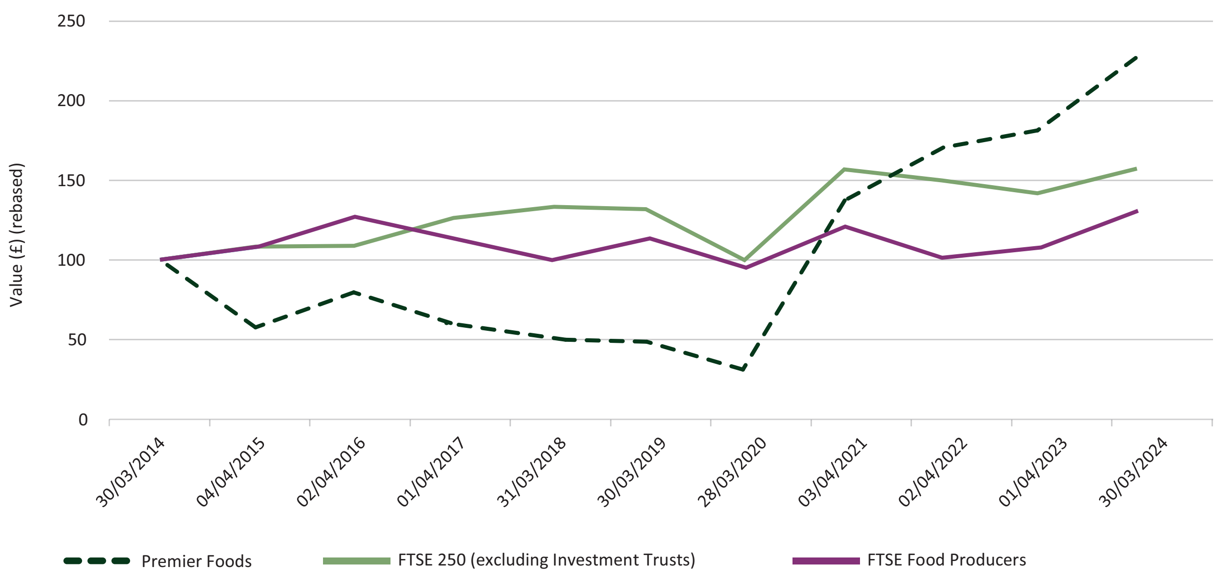
1 The 2020 LTIP and DBP awards, which vested in 2023, have been updated to include dividend equivalent shares representing notional dividends paid during the performance period up until the date of vesting. The Remuneration Committee has determined that the TSR and EPS elements of the 2021 LTIP awards will vest in full in June 2024 (see page 104 for more information).

2 Executive directors are eligible to participate in the Group's Sharesave Plan on the same basis as all other eligible employees. Alex Whitehouse and Duncan Leggett were granted an award over 2,886 shares under the all-employee Sharesave Plan on 15 December 2023. An amount of £817 has been included within taxable benefits, which represents the value of the 20% discount to the share price on the date of grant.

Total shareholder return

The market price of a share in the Company on 28 March 2024 (the last trading day before the end of the financial period) was 149.4p; the range during the financial period was 113.2p to 155.8p.

The graph shows the value, by 30 March 2024, of £100 invested in Premier Foods plc on 30 March 2014, compared with the value of £100 invested in the FTSE Food Producers Index and FTSE 250 Index (excluding Investment Trusts) on the same date. The Committee considers these to be the most appropriate comparator indices to assess the performance of the Group, given the Group's position as a FTSE 250 Food Producer. The other points plotted are the values at intervening financial year-ends.



Chief Executive's single figure for total remuneration (audited)

The table below shows the single figure for total remuneration and the annual bonus and LTIP vesting as a percentage of maximum opportunity for the previous 10 financial periods.

Year	CEO	Single figure for total remuneration	Annual bonus as a of maximum	LTIP vesting as a % of maximum
FY23/24	Alex Whitehouse	£2,422,852	100%	100%
FY22/23	Alex Whitehouse[2]	£2,610,611	100%	100%
FY21/22	Alex Whitehouse	£2,705,795	100%	100%
FY20/21	Alex Whitehouse	£2,025,254	100%	100%
FY19/20	Alex Whitehouse[1]	£742,575	81.5%	33.3%
FY19/20	Alastair Murray[1]	£683,776	64.2%	33.3%
FY18/19	Alastair Murray	£158,297	53.0%	–
FY18/19	Gavin Darby	£1,241,708	60.0%	–
FY17/18	Gavin Darby	£1,229,383	35.0%	–
FY16/17	Gavin Darby	£862,455	–	–
FY15/16	Gavin Darby	£1,750,933	57.0%	–
FY14/15	Gavin Darby	£1,736,749	23.4%	–

1 Alex Whitehouse was appointed as CEO on 30 August 2019 and Alastair Murray stepped down as Acting CEO and Chief Financial Officer.

2 The figures for FY22/23 have been adjusted, in line with statutory reporting requirements, to reflect the actual value upon vesting of the LTIP award on 25 June 2023. Full details of the single figure for total remuneration are set out on page 100.

Percentage change in remuneration of directors and employees

For the purpose of this table, remuneration is defined as salary, benefits and annual bonus. Where directors have been appointed part way through the prior financial year, comparative figures have been calculated using an annualised figure. Tania Howarth, Lorna Tilbian and Roisin Donnelly were appointed as non-executive directors on 1 March, 1 April and 1 May 2022, respectively. Yuichiro Kogo does not receive a fee. The increase in fees for Tim Elliott reflects his appointment as Audit Committee Chair during the year. The directors are the only employees of the Company, so the average pay of colleagues in the wider Group has also been included for the purposes of comparison.

	Base salary % change				Benefits % change				Annual bonus % change			
	FY23/24	FY22/23	FY21/22	FY20/21	FY23/24	FY22/23	FY21/22	FY20/21	FY23/24	FY22/23	FY21/22	FY20/21
Executive directors												
Alex Whitehouse	**+5.0%**	+4.3%	+3.2%	+5.3%	**-2.9%**	+34.5%	+0.2%	-5.7%	**+26.1%**	+4.2%	+1.5%	+61.4%
Duncan Leggett	**+5.0%**	+11.7%	+12.5%	+12.7%	**+2.8%**	+21.8%	-1.8%	+4.5%	**+31.3%**	+11.7%	+9.1%	+33.1%
Non-executive directors												
Colin Day	**0%**	+8.5%	+0.8%	0%	**–**	–	–	–	**–**	–	–	–
Richard Hodgson	**0%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
Roisin Donnelly	**0%**	0%	–	–	**–**	–	–	–	**–**	–	–	–
Tim Elliott	**+15.8%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
Tania Howarth	**0%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
Helen Jones	**0%**	+12.9%	0%	0%	**–**	–	–	–	**–**	–	–	–
Yuichiro Kogo	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–
Lorna Tilbian	**0%**	0%	–	–	**–**	–	–	–	**–**	–	–	–
Former Directors												
Simon Bentley[2]	**0%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
All Group employees	**+3.4%**	+11.1%	-0.8%	+5.6%	**–**	–	–	–	**+38.2%**	-31.2%	+40.7%	+49.3%

1 The salary increase for colleagues not involved in collective bargaining in FY21/22 was 2%.

2 Simon Bentley resigned from the Board with effect from 12 July 2023.

Senior management and the wider workforce

The remit of the Committee includes oversight of remuneration for senior management (who are defined as the Group's Executive Leadership Team and Senior Leadership Team), as well as reviewing workforce remuneration and related policies, and the alignment of incentives and rewards with culture. Remuneration for executive directors is set within the context of the Group's remuneration policy for the wider workforce. The key differences of quantum and structure in pay arrangements across the Group reflect the different scope of roles and levels of accountability required for the role, and that executive directors and senior management have a much greater emphasis on performance-based pay through the annual bonus and the LTIP.

Salaries for management grades are normally reviewed annually (currently in July each year) and take account of both business and personal performance. Specific arrangements are in place at each site, which may be annual arrangements or form part of a longer-term arrangement, and the Board is regularly updated on these arrangements.

Each year, the Committee reviews the level of salary increases for colleagues not involved in collective bargaining and reviews the annual bonus plan for the general management population. Financial objectives for executive directors and the management population are aligned and strategic objectives are cascaded down the management structure. Senior management participate in long-term incentive arrangements, reflecting their contribution to Group performance and enhancing shareholder value. All colleagues are encouraged to own shares in the Company via the Sharesave Plan and executive directors through our shareholding guidelines.

CEO pay ratio

The table below sets out a comparison of the CEO’s total earnings as compared to the wider workforce, based on colleagues’ pay at the 25th percentile, median and 75th percentile. Premier Foods is a food manufacturing business employing around 4,000 colleagues, the majority of whom are based at our manufacturing sites.

We apply the same reward principles for all colleagues – that overall remuneration should be competitive when compared to similar roles in similar organisations. For manufacturing colleagues, we benchmark against the general pay conditions for similar roles in the relevant local area, including other food manufacturers. For the CEO, we benchmark the specific experience, skills and responsibilities of the individual, and the market rates for companies of comparable size and complexity (including factors such as turnover, market capital and enterprise value). The key differences of quantum and structure in pay arrangements between the CEO and the majority of colleagues reflect the different levels of overall accountability, responsibilities, skill and experience required for the role. The CEO’s pay has a much greater emphasis on performance-based pay through the annual bonus and the LTIP. The ratios may, therefore, vary significantly year-on-year, depending on bonus and LTIP outcomes.

				Pay ratio
Year	Method	25th percentile	Median	75th percentile
FY23/24	B	89:1	69:1	47:1
FY22/23	B	79:1	75:1	61:1
FY21/22	B	93:1	78:1	61:1
FY20/21	B	82:1	61:1	49:1
FY19/20	A	60:1	49:1	35:1
FY23/24	Base salary	£26,043	£25,728	£47,186
FY23/24	Total pay and benefits	£27,227	£35,249	£51,225

The CEO single figure for total remuneration was £2,422,852 (FY22/23: £2,610,611), as set out on page 100 of this report. The single figure for FY22/23 (and associated percentile ratios) has been adjusted, in line with statutory reporting requirements, to reflect the actual value upon vesting of the 2020 LTIP award on 25 June 2023. The change in ratios from last year reflects that the colleague at the 25th percentile did not receive overtime allowance, the colleague at the 75th percentile had a higher base salary, and the value attributed to the CEO’s vesting LTIP award in FY23/24 was lower. The Committee confirms that the ratio is consistent with the Company’s wider policies on employee pay, reward and progression.

The Group has calculated the ratio in line with the reporting regulations using method B, which uses the most recent hourly rate gender pay gap information for all UK employees of the Company to identify three UK employees as the best equivalents. This uses data which is already reported externally as part of the Group’s gender pay gap reporting. Due to the fact that the Group has a significant number of part-time employees and a range of different weekly working hours and shift allowances at various sites, the calculation of comparable full-time equivalents under method A was considered particularly complex. The results for this year were checked against colleagues’ pay at either side of the data points selected, to ensure the results were representative and the figures provided are considered to be reflective of pay at the relevant sites where the colleagues are based. No adjustments or estimates have been used.

The workforce comparison is based on:

1. Payroll data as at 5 April 2023 for all colleagues, including part time colleagues and the CEO, but excluding non-executive directors.
2. Total pay comprising salary and taxable benefits (including shift allowance, overtime, car allowance and performance-related pay) as at 30 March 2024. Employers’ pension contributions and bonus are not included in the data under the requirements of the gender pay gap reporting, but have been included in the total pay and benefits figures for the three colleagues listed in the table above for comparative purposes.

Gender pay gap reporting

Details of gender pay gap reporting are provided on page 188 and the full report is available on the Group’s website.

Payments for loss of office (audited)

There were no payments for loss of office in the year (FY22/23: £Nil).

Payments to former directors (audited)

There were no payments to former directors in the year (FY22/23: £Nil).

Relative importance of spend on pay

The following table sets out the amounts and percentage change in total employee costs and distributions to shareholders (dividends and share buybacks). The Company has recommended the payment of a final dividend of 1.728p per share for the financial period, subject to shareholder approval at the AGM in July 2024, which represents a 20% increase on the prior year.

	FY23/24	**FY22/23**	**Increase/ Decrease**
Total employee costs	**£212.1m**	£209.2m	+1.4%
Distributions to shareholders	**£12.4m**	£10.3m	+20.4%

Non-executive directors

Fees payable to non-executive directors are determined by the Board. The level of fee is set in the context of the time commitment and responsibilities required by the role. As a result, additional fees are payable to the Chairs of the Audit and Remuneration Committees and for the role of Senior Independent Director.

Non-executive directors (audited)

Single figure for the total remuneration received by each non-executive director for the financial periods ended 30 March 2024 and 1 April 2023.

	FY23/24			FY22/23		
	Fees £'000	**Expenses[3] £'000**	**Total £'000**	Fees £'000	Expenses[3] £'000	Total £'000
Colin Day	**235**	**3**	**238**	235	2	237
Richard Hodgson	**67**	**–**	**67**	67	–	67
Roisin Donnelly[1]	**57**	**1**	**58**	52	1	53
Tim Elliott	**66**	**6**	**72**	57	1	58
Tania Howarth	**57**	**1**	**58**	57	1	58
Helen Jones	**68**	**–**	**68**	64	–	64
Yuichiro Kogo[2]	**–**	**–**	**–**	–	–	–
Lorna Tilbian	**57**	**4**	**61**	57	1	58
Former directors:						
Simon Bentley[4]	**20**	**–**	**20**	70	–	70

1 Roisin Donnelly was appointed as a non-executive director on 1 May 2022. Simon Bentley retired as a director on 12 July 2023

2 Yuichiro Kogo was appointed pursuant to a relationship agreement with our largest shareholder and does not receive a fee for his role as a non-executive director.

3 Expenses relate to taxable travel costs in connection with the attendance at Board and Committee meetings during the year. The amounts in the table above include the grossed-up cost of UK tax paid by the Company on behalf of the non-executive directors.

4 Simon Bentley resigned from the Board with effect from 12 July 2023.

Non-executive directors' fees

The fees of our non-executive directors (NEDs) are set out below. No increases were awarded in FY23/24, see the 'Statement of implementation of the remuneration policy in FY24/25' section for details of proposed increases to the Group Chair and NED fees in FY24/25.

	FY23/24	**FY22/23**	**Increase/ Decrease**
Group Chair's fee	**£235,000**	£235,000	–
Basic NED fee	**£57,000**	£57,000	–
Additional remuneration:			
Audit Committee Chair fee	**£13,000**	£13,000	–
Remuneration Committee Chair fee	**£10,500**	£10,500	–
Senior Independent Director fee	**£10,000**	£10,000	–

Directors' terms of appointment

All non-executive directors have entered into letters of appointment/amendment as detailed in the table below. The appointments are subject to the provisions of the Companies Act 2006 and the Company's Articles. Terms of appointment are normally for three years or until the date of the AGM immediately preceding the third anniversary of appointment. Non-executive directors' continued appointments are evaluated annually, based on their contributions and satisfactory performance. Following the expiry of a term of appointment, non-executives may be reappointed for a further three-year period. The terms of appointment for Yuichiro Kogo are governed by the terms of the relationship agreement between the Company and Nissin, our largest shareholder.

Director	Date of original appointment	Expiry of current appointment/amendment letter	Notice period
Alex Whitehouse	30 August 2019	–	6 months
Duncan Leggett	10 December 2019	–	6 months
Colin Day	30 August 2019	AGM 2025	3 months
Richard Hodgson	6 January 2015	AGM 2024	3 months
Roisin Donnelly	1 May 2022	AGM 2025	3 months
Tim Elliott	15 May 2020	AGM 2026	3 months
Tania Howarth	1 March 2022	AGM 2024	3 months
Helen Jones	15 May 2020	AGM 2026	3 months
Yuichiro Kogo	25 March 2021	–	–
Lorna Tilbian	1 April 2022	AGM 2024	3 months

Non-executive directors' interests in shares (audited)

NED	Ordinary shares owned as at 30 March 2024[3]	Ordinary shares owned as at 1 April 2023[3]
Colin Day	**250,000**	200,000
Richard Hodgson	**–**	–
Roisin Donnelly[1]	**45,651**	45,651
Tim Elliott	**15,000**	10,000
Tania Howarth	**–**	–
Helen Jones	**10,000**	10,000
Yuichiro Kogo[2]	**–**	–
Lorna Tilbian	**–**	–
Former directors:		
Simon Bentley[1]	**N/A**	–

1 Roisin Donnelly was appointed as a non-executive director on 1 May 2022. Simon Bentley retired as a director on 12 July 2023.

2 Yuichiro Kogo is a shareholder representative director appointed pursuant to a relationship agreement with Nissin, our largest shareholder.

3 There were no changes in directors' share interests between year-end and 16 May 2024.

Statement of implementation of the remuneration policy in FY24/25

Base salary and fees

Over the course of the year, the Committee has reviewed the approach to base salaries to ensure that they reflect the performance of the Group and the individuals, and the increased size and complexity of the organisation, as outlined above. With this in mind, it is proposed that the executive directors' salaries are increased with effect from 1 July 2024, as follows:

	Salary for FY24/25	Salary as at 30 March 2024	Change
Alex Whitehouse	**£620,000**	**£562,275**	**+10.3%**
Duncan Leggett	**£415,000**	**£385,875**	**+7.5%**

The Committee recognises that these salary increases will be above the likely salary review for colleagues not involved in collective bargaining, which is expected to be between 3% and 3.5%. These changes will position the CEO's total maximum compensation package just below the FTSE 250 median, and the CFO's total maximum compensation package between the FTSE 250 lower quartile and median. The Committee considers that this market positioning is an appropriate reflection of the increased size and complexity of the business, the executive directors' sustained excellent performance in role, and our improved positioning within the FTSE 250. Further context for the salary increases is provided on page 97.

It is the Committee's current intention that any increases next year will be in line with colleagues not involved in collective bargaining.

Group Chair and NED fees

Due to the increased size and complexity of the business, the Committee also reviewed the Group Chair and NED fees during the course of the year and determined that an increase, in line with the salary review for colleagues not involved in collective bargaining in July 2024 (currently expected to be between 3% and 3.5%), is appropriate. In making this decision, the Board was mindful that the NED base fee and fees for chairing a Committee have not been increased for well over 10 years, that the Senior Independent Director fee was last increased in 2015, and that the Group Chair fee was last increased in 2022.

Benefits

Benefits for FY24/25 will be in line with the approved Remuneration Policy.

Pension

Pension entitlements for FY24/25 will be in line with the approved Remuneration Policy and on the same basis as that offered to the rest of the workforce (currently a salary supplement of 7.5% of base salary up to an earnings cap).

Annual bonus

The Committee agreed that, for FY24/25, the financial targets would represent 70% of the total bonus opportunity. The performance measures will be linked to the Group's strategy to focus on revenue growth, cost efficiency and cash generation with the aim to deliver the Group's growth strategy. As with last year, the financial targets comprise Trading profit and operating cash flow goals. Trading profit is a Group KPI (see page 26).

Non-financial objectives are focused on strategic opportunities to drive sales, generate cost savings and improve free cash flow in support of the Group's growth strategy. The element relating to ESG is aligned with the delivery of the Group's ESG strategy, the Enriching Life Plan (see pages 30 to 41 for more information). The Board considers the financial and non-financial targets to be commercially sensitive, but has agreed that they will be disclosed as part of the performance assessment in next year's Annual Report. The financial and non-financial targets both contain Trading profit underpins.

There are no proposed changes to the maximum opportunities which will remain at 150% of salary for the CEO and 125% of salary for the CFO. The Committee has set stretching targets for the FY24/25 performance period. One-third of any annual bonus awarded in respect of FY24/25 will be deferred in shares for three years under the Deferred Bonus Plan.

	Alex Whitehouse	Duncan Leggett
Maximum opportunity as a % of salary	150%	125%
Performance measure	Weighting	Weighting
Financial objectives (subject to a Trading profit underpin)		
Trading profit	50%	50%
Operating cash flow	20%	20%
	70%	70%
Non-financial objectives (subject to a Trading profit underpin)		
Strategic and Environmental, Social and Governance (ESG)	30%	30%
	100%	100%

LTIP award for FY24/25

There are no proposed changes to the LTIP award levels which will remain at 200% of salary for the CEO and 150% of salary for the CFO. For the FY24/25 award, the Committee proposes to use the same measures and weightings as for the FY23/24 LTIP award, i.e. relative TSR (50%) and adjusted EPS (50%), which are aligned with the Group's growth strategy to focus on revenue and profit growth, cost efficiency, cash generation and investment in the business, in order to generate sustainable shareholder return over the medium-term. The Committee believes that these measures are fully aligned with the interests of shareholders and that awards will only vest following the achievement of stretching performance targets.

The TSR condition requires at least a median ranking to be achieved for 20% of this part of the award to vest, with full vesting taking place for an upper quartile ranking against the constituents of the FTSE 250 Index (excluding investment trusts), which is considered an appropriate index to use as the Company is now an established member of the FTSE 250 Index.

The adjusted EPS target is 14.2p, with a range of 13.7p at threshold to 14.8p at maximum, which represents a circa 11.0% increase on the prior year's targets. In setting these targets, the Committee took into account the Group's five-year strategic plan and the impact of the closure of the Charnwood business that was confirmed in March 2024. The Committee has set stretching targets for the three-year performance period, to ensure that participants are motivated to deliver shareholder value without excessive risk-taking. In line with its usual approach, the Committee will review performance in the round to ensure that final vesting outcomes reflect the broader business and individual context in the period.

	Basis of award	Face value on award date	Performance period
Alex Whitehouse	200%	£1,124,550	01.04.24 – 31.03.27
Duncan Leggett	150%	£578,813	01.04.24 – 31.03.27

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS	50%	< 13.7p	13.7p	14.2p	14.8p
% of relevant portion of award vesting[2]		0%	20%	50%	100%

1 Measured against the constituents of the FTSE 250 Index (excluding investment trusts) around the start of the period.

2 Target EPS of 14.2p (at which 50% vests) with straight-line vesting between threshold and target and between target and stretch.

The Committee

Director	Date of appointment to Committee
Helen Jones	May 2020 (appointed Committee Chair July 2022)
Richard Hodgson	December 2017
Tim Elliott	May 2020
Roisin Donnelly	April 2022

Details of the Committee meeting attendance is set out on page 80. I was appointed as Chair of the Remuneration Committee on 20 July 2022, having served as a member of the Remuneration Committee for two years. Throughout the financial period, all members of the Committee have been independent. In addition, the Group Chair, CEO, HR Director and the remuneration advisers attended Committee meetings by invitation. In accordance with the Committee's terms of reference, no one attending a Committee meeting may participate in discussions relating to his/her own terms and conditions of service or remuneration. Over the course of the year, the Committee held four scheduled meetings.

Role of the Remuneration Committee

The Committee has been delegated authority by the Board to: approve the overall design of the Remuneration Policy for executive directors and senior management; to agree the terms of employment (including recruitment and termination terms) of executive directors; approve the design of all share incentive plans; recommend appropriate performance measures and targets for the variable element of remuneration packages; and determine the extent to which performance targets have been achieved. The Committee's remit has also been extended to review the remuneration arrangements for the wider workforce and to ensure there is alignment between the Group's remuneration arrangements and culture.

The key activities of the Committee during the financial period were as follows:

- Assessed and confirmed the final performance testing of the FY22/23 Annual Bonus and 2020 LTIP Award;
- Reviewed the FY23/24 salary increase for all colleagues not involved in collective bargaining, including executive directors and the ELT;

- Reviewed and recommended executive directors' and senior managers' annual bonuses in respect of the financial period, and set the targets for the FY23/24 annual bonus, ensuring they were aligned with the strategic objectives of the Group;
- Granted the 2023 awards under the Company's all-employee Sharesave plan and monitored colleague participation;
- Granted the 2023 awards under the Company's executive share plans to executive directors and senior managers and agreed the targets for awards due to be made in 2024, ensuring they are aligned with the strategic objectives of the Group;
- Reviewed shareholder feedback and the voting results for the 2023 Directors' remuneration report and Directors' Remuneration Policy at the 2023 AGM;
- Undertook an annual review of remuneration arrangements for executive directors;
- Reviewed remuneration arrangements for the ELT to ensure they remain competitive and continue to support the Group's evolving strategy, and aid the retention and recruitment of senior management;
- Together with the Board, received regular updates on the remuneration arrangements for the wider workforce, the ongoing impact of the inflationary environment on colleagues, site pay negotiations, and the options to extend long-term incentive arrangements for management below the ELT;
- Considered the results of the Committee's evaluation and the action plan for the coming year; and
- Reviewed and discussed developments in best practice in order to keep the Committee up to date with current market practice.

Committee evaluation

As part of the internal Board evaluation exercise conducted during the year (see pages 82 and 83 for more information), a review of the Committee's effectiveness was also undertaken. The review included the management of meetings, quality of papers and presentations, an assessment of overall remuneration strategy and whether it supported the delivery of the Group and ESG strategies, the Committee's understanding of remuneration arrangements for the wider workforce and the views of key stakeholders. It was confirmed that the Committee remained effective and an action plan for the coming year was agreed. A review was also undertaken of the performance of the Committee's adviser, and it was confirmed that they had performed effectively in supporting the Committee over the period.

Advisers

Following a tender exercise undertaken in 2020, Deloitte LLP ('Deloitte') was appointed as adviser by the Committee in January 2021. The Deloitte engagement team have no other connection with the Group or its directors that is considered to impair their independence. Deloitte did not provide any other services to the Group in the year. Deloitte is a founding member of the Remuneration Consultants Group and, as such, adheres to its Code of Conduct. The Committee is satisfied that the advice received from Deloitte is objective and independent. During the financial period, Deloitte received fees of £64,000 (FY22/23: £88,250) on a time and material basis, in respect of their advice to the Committee.

External appointments

The Board is open to executive directors who wish to take on a non-executive directorship with a publicly quoted company in order to broaden their experience. Executives may be entitled to retain any fees they receive. However, any such appointment would be reviewed by the Board on a case-by-case basis. The current executive directors do not hold any external appointments with publicly quoted companies.

Statement of voting at the Annual General Meeting

The details of the voting on the resolutions at the AGM held on 20 July 2023 are set out below (full details of the voting results for each resolution are available on the Group's website: www.premierfoods.co.uk).

	Approval of Directors' Remuneration Report FY22/23	% of votes cast	Approval of the current Directors' Remuneration Policy	% of votes cast
Date of AGM	20 July 2023		20 July 2023	
Votes for	717,755,279	98.28%	702,864,358	96.24%
Votes against	12,587,600	1.72%	27,460,333	3.76%
Total votes cast	730,342,879	100%	730,324,691	100%
Votes withheld	75,353		93,541	

The Directors' Remuneration Report was approved by the Board on 16 May 2024 and signed on its behalf by:

Helen Jones
Remuneration Committee Chair

Other statutory information

Directors' report

The directors' report consists of pages 08 to 119 and has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, and the liabilities of directors in connection with that report shall be subject to the limitations and restrictions provided by such law. In the directors' report, references to the 'Company' are in reference to Premier Foods plc, and references to the 'Group' or 'Premier Foods', are references to Premier Foods plc and its subsidiaries.

The Directors' report is covered on pages 116 to 119, as well as in the following sections of this Annual Report:

Item	Location
Financial risk management	Note 19 to the financial statements
Current Board membership	Pages 76 and 77
Governance report	Pages 73 to 119
Strategic report	Pages 9 to 72
Risk management and viability statement	Pages 63 to 72
Employee engagement	Pages 10 and 11 and pages 40 and 41
Directors' remuneration report	Pages 96 to 115
Share capital	Note 23 of the Financial statements
Greenhouse gas emissions	Pages 54 and 55
Enriching Life Plan	Pages 30 to 41
Enriching Life Plan disclosure Tables	Pages 182 to 189

The following information, required by Listing Rule 9.8.R, is also incorporated into the directors' report: Details of long-term incentive plans – see director's remuneration report on pages 104 and 105.

Profit and dividends

The profit before tax for the financial year was £151.4m (FY22/23: profit of £112.4m). The Board has adopted a progressive dividend policy and the directors have proposed a final dividend of 1.728 pence per share for the financial period ended 30 March 2024 (FY22/23: 1.44 pence), representing a 20% increase on the prior year. Subject to shareholder approval, the final dividend will be payable on 26 July 2024 to shareholders on the register at the close of business on 28 June 2024.

Research and development

Applied research and development work continues to be directed towards the introduction of new and improved products; the application of new technology to reduce unit and operating costs; and to improve service to customers. Total research and development spend (including capitalised development costs) was £16.3m (FY22/23: £14.6m).

Branches

Certain of the Group's activities are operated through overseas branches, which are established in a number of countries and are subject to the laws and regulations of those jurisdictions.

Share capital information

The Company's issued share capital, as at 30 March 2024, comprised 868,795,815 ordinary shares of 10p each. During the period, 697,605 ordinary shares were allotted to satisfy the vesting of awards made under the all-employee Sharesave Scheme and details of the movements can be found in note 23 on pages 169 to 171. All of the ordinary shares rank equally with respect to voting rights and the rights to receive dividends and distributions on winding up. In accordance with the Articles, there are no restrictions on share transfers, limitations on the holding of any class of shares or any requirement for prior approval of any transfer with the exception of certain officers and employees of the Company, who are required to seek prior approval to deal in the shares of the Company, and are prohibited from any such dealing during certain periods under the requirements of the Market Abuse Regulation.

Colleagues who hold shares under the Premier Foods plc Share Incentive Plan may instruct the trustee to vote on their behalf in respect of any general meeting.

The directors were granted authority at the 2023 AGM to allot relevant securities under two separate resolutions: (i) up to one-third of the Company's issued share capital; and (ii) up to two-thirds of the Company's issued share capital in connection with a rights issue. This authority will apply until the conclusion of the 2024 AGM. A similar authority will be sought from shareholders at the 2024 AGM. The Company does not currently have authority to purchase its own shares, and no such authority is being sought at the 2024 AGM.

Significant contracts – change of control

The Company has various borrowing arrangements, including a revolving credit facility and Senior Secured notes. These arrangements include customary provisions that may require any outstanding borrowings to be repaid and any outstanding notes to be repurchased upon a change of control of the Company. In addition, the *Cadbury* licensing agreement also includes a change of control provision, which could result in the agreement being terminated or renegotiated if the Company were to undergo a change of control in certain limited circumstances.

The Company's executive and all-employee share plans contain provisions, as a result of which options and awards may vest and become exercisable on a change of control in accordance with the plan rules.

Articles of association

The Company's Articles (which are available on the Group's website www.premierfoods.co.uk) may only be amended by a special resolution at a general meeting. Subject to the provisions of the statutes, the Company's Articles, and any directions given by special resolution, the directors may exercise all the powers of the Company.

Substantial shareholdings

Information provided to the Company pursuant to the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the Company's website. As at 30 March 2024, the Company has been notified of the following interests of 3% or more in the Company:

Principle	No. of ordinary shares	% of share capital
Nissin Foods Holdings Co., Ltd.	210,836,846	24.43
Kempen Capital Management N.V.	69,531,163	8.00
JPMorgan Asset Management Holdings Inc.[1]	44,559,230	5.22
M&G Plc	34,916,779	4.05

1 Held in the form of shares and as a total return swap.

For the period 1 April 2024 up to and including 15 May 2024 (the latest practicable date for inclusion in this report), there have been no further notifications pursuant to DTR 5.

Powers of directors

The powers of the directors are set out in the Company's Articles of Association and may be amended by way of a special resolution of the Company.

Board composition and appointments

As at the date of this report, the Board is comprised of two executive directors, seven independent non-executive directors and one non-independent non-executive director. These directors were in office throughout FY23/24 and the details of these directors can be found on pages 76 and 77. On 12 July 2023, it was announced that Simon Bentley would step down as an independent non-executive director, with immediate effect.

The Board has the power to appoint one or more additional directors. Under the Articles, any such director holds office until the next AGM when they are eligible for election. Shareholders may appoint, reappoint or remove directors by an ordinary resolution. In addition, the appointment of Yuichiro Kogo is subject to the terms of the Shareholder Relationship Agreement (see Conflicts of interest on page 80).

Directors' and officers' liability insurance

This insurance covers the directors and officers 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 the unsuccessful defence of any proceedings.

Access to external advice

Directors are allowed to take independent professional advice in the course of their duties. In addition, all directors have access to the advice and services of the Company Secretary. If any director were to have a concern over any unresolved business issue following professional advice, they are entitled to require the Company Secretary to minute that concern. Should they later resign over a concern, non-executive directors are asked to provide a written statement to the Chair for circulation to the Board.

Political donations

The Company's policy is not to make political donations and no such donations were made in the financial period.

Employment of people with disabilities

It is our policy to give full and fair consideration to applications for employment received from people with disabilities, having regard to their particular aptitudes and abilities. Wherever possible, we will continue the employment of, and arrange appropriate training for, employees who have become disabled during the period of their employment. We provide the same opportunities for training, career development and promotion for people with disabilities as for other colleagues.

Stakeholder engagement

Details of engagement with key stakeholders is provided on pages 84 to 87.

Colleague engagement

The Board and its committees receive regular updates on workforce matters, which include:

- Updates on key issues raised at Premier Voice Forums, which have been established at sites across the business;
- Site-based pay negotiations;
- Results of biennial employee engagement exercises and action plans to address the issues raised; and
- All employee share schemes.

Additional feedback mechanisms, via the Board's Remuneration and Audit Committees, include:

- Understanding of remuneration arrangements for the workforce across the business;
- Updates on the management bonus scheme and pay arrangements for colleagues across the business; and
- Periodic reporting of issues raised via the Company's confidential whistleblowing helpline and management's response to them.

Further information on how we have engaged with employees during the financial period can be found in the following sections:

- Workforce Engagement NED: page 79.
- Engaging with our stakeholders and Section 172(1) statement: pages 84 to 87.

Colleague communication

We continue to place a high degree of importance on communicating with colleagues, at all levels of the organisation, which is facilitated further by investment in this area, with large digital news screens at every site, our mobile-enabled intranet, a fortnightly news round-up email and posters.

We also video stream our colleague briefing sessions directly to all sites, in addition to cascading it through local briefings. We believe it is important to hear views from our colleagues in order to understand how the working environment can be improved. In our manufacturing sites, we have constructive relationships with our Trade Union colleagues, while at head office, we run 'Listening Groups' and 'Lunch and Learn' events.

Other statutory information continued

Anti-corruption and anti-bribery

The Group has in place an Anti-Bribery and Corruption Policy which provides guidance for complying with anti-corruption laws. These are circulated to graded managers and those who operate in commercial roles, together with formal training and annual refreshers. Training covers, amongst other things, guidance on dealings with third parties, facilitation payments, gifts and hospitality, and charitable and political donations. We do not tolerate any form of bribery or corruption and expect all colleagues, business partners, suppliers, contractors, joint venture partners, customers, agents, distributors and other representatives to act in accordance with all laws and applicable Group policies. The current Anti-Bribery and Corruption Policy was approved by the Audit Committee in March 2024 and a summary is available on the Group's website.

Code of conduct and whistleblowing helpline

The Group is committed to ensuring that everyone who comes into contact with the business is treated with respect, and that their health, safety and basic human rights are protected and promoted. The Board has approved a code of conduct, which sets out the standards of behaviour all employees are expected to follow, and provides useful guidance to help colleagues when it comes to doing the right thing. The code was introduced in 2012 and is updated and reissued on a periodic basis. A copy of the code is included in the induction pack for new joiners and is available on the Group's intranet and corporate website. The code is made up of 10 key elements, including: acting honestly and complying with the law; competing fairly; food safety; and treating people fairly.

We also have a confidential whistleblowing call line to enable anyone who comes into contact with our business (whether colleagues, contractors, agency workers, customers, suppliers or distributors), to raise any concerns they have, which cannot be dealt with through the normal channels. Calls logged with the whistleblowing service are followed up promptly by the appropriate person within the business and the issues raised, and management's response, are reviewed by the Audit Committee. The Audit Committee also reviews the whistleblowing service, annually, and arranges for it to be refreshed and communicated to sites.

Modern slavery

We are committed to tackling all forms of hidden labour exploitation, including slavery and human trafficking, and we ensure that all new members of the Procurement team receive specific training on modern slavery and trafficking as part of their induction. The training utilises both internal and external training resource materials and is tailored to raise awareness of the issues around modern slavery in supply chains and to empower team members to recognise and respond to indicators of human rights abuse. Our Modern Slavery Statement is reviewed and approved by the Board on an annual basis and is available to view on the Group's website.

Financial risk management

Details relating to financial risk management in relation to the use of financial instruments by the Group, can be found in note 19 of the financial statements.

Going concern and Viability Statement

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the at least the next 12 months and, therefore, continue to adopt the going concern basis in preparing the consolidated financial statements. Further information on the basis of preparation is set out in note 2.1 on pages 133 and 134. The Company's Viability Statement, where the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 March 2029, is set out on pages 71 and 72.

Related parties

Details on related parties can be found in note 27 on pages 171 and 172.

Subsequent events

Details relating to subsequent events can be found in note 30 on page 175.

Statement of directors' responsibilities

In respect of the financial statements

The directors are responsible for preparing the Annual Report for the 52 weeks ended 30 March 2024 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 for the 52 weeks ended 30 March 2024 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 the Board of directors section, 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 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.

Independent auditors

PricewaterhouseCoopers LLP ('PwC') has indicated its willingness to be appointed as auditors of the Company. Upon recommendation of the Audit Committee, the appointment of PwC and the setting of its remuneration will be proposed at the 2024 AGM.

The directors' report was approved by the Board on 16 May 2024 and signed on its behalf by:

Simon Rose
General Counsel and Company Secretary

companysecretary@premierfoods.co.uk

Financial Statements

Independent auditors' report

to the members of Premier Foods plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Premier Foods 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 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report for the 52 weeks ended 30 March 2024 (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 30 March 2024; the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, the Consolidated and Company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 5.2 to the consolidated financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- Audit procedures provide coverage of 99% of revenue and 99% of absolute profit before tax.
- Audit procedures performed over 5 full scope components.
- Financially significant components were Premier Foods Group Limited and Premier Foods Group Services Limited.

Key audit matters

- Valuation of pension liabilities and complex pension assets (Group)
- Accounting for commercial arrangements (Group)
- Valuation of the brand intangible asset recognised on acquisition of FUEL 10K Limited (Group)
- Recoverability of investment in group undertakings (Company)

Materiality

- Overall Group materiality: £7,575,000 (2023: £5,650,000) based on approximately 5% of profit before taxation.
- Overall Company materiality: £5,310,000 (2023: £3,000,000) based on 1% of total assets.
- Performance materiality: £5,600,000 (2023: £4,237,000) (Group) and £3,982,500 (2023: £2,250,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Independent auditors' report continued

to the members of Premier Foods plc

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
Valuation of pension liabilities and complex pension assets (Group)	
Refer to Notes 2.15 and 3.1 of the consolidated financial statements for disclosures of related accounting policies, judgements and estimates and Note 14 to the financial statements. The Group operates a number of defined benefit pension schemes which, combined, have a total net defined benefit pension surplus of £601.5m, comprising gross assets of £3,565.0m and gross liabilities of £2,963.5m. The most significant schemes held are the "RHM" schemes which have a net retirement benefit surplus of £799.2m and the "Premier" schemes with a net retirement benefit obligation of £197.7m at 30 March 2024. Valuation of the liabilities requires significant levels of judgement and technical expertise in determining the appropriate assumptions to measure it. Changes in assumptions (including the discount rate, inflation rates and mortality rates) can have a material impact on the calculation of the liabilities either individually or in combination. Management uses independent actuaries to prepare the period end valuation under International Accounting Standard 19, 'Employee benefits' ("IAS 19"). Included within the RHM and Premier scheme assets are more complex funds totalling £1,627.4m. Within these complex funds are assets totalling £363.8m for which the most recent valuation is at a date earlier than 30 March 2024. This is due to the time required to finalise the valuation of the underlying assets. The assets held by these funds do not have a quoted price and are less liquid in nature, meaning the valuation is based on estimates and judgements applied by the investment managers who prepare the fund values recognised by the Schemes. We focussed on the reasonableness of the key assumptions, including the discount rate, inflation rates and mortality rates, used in the calculation of the RHM and Premier defined benefit liabilities and the valuation of complex assets held by the RHM and Premier schemes.	We obtained an understanding of the pensions process and assessed the Group's design and implementation of controls covering the asset and liability valuations, including complementary user entity controls in place where service organisations are used. We involved our specialists in our assessment of the reasonableness of actuarial assumptions and the overall defined benefit pension liability calculations by comparing the key assumptions, including the discount rate, inflation rates and mortality rates, to benchmark ranges, performing sensitivity analysis, checking whether methods had been consistently applied and are reasonable, and assessing the impact of the assumptions in combination with one another. We agreed that the assumptions used and the methodology applied in the defined benefit pension schemes valuations were reasonable. We obtained external confirmations directly from the investment managers to provide evidence of the existence and valuation of pension assets as at 30 March 2024. In order to test the valuation of the complex and illiquid assets, including those complex and illiquid assets where only a lagged valuation was available, we obtained a range of supporting evidence as available, including recent transaction prices, audited fund financial statements and fund control reports, to assess whether the value provided was reliable and appropriate. We did not identify any material misstatements from this testing. Specifically for those assets with lagged valuations, we performed additional procedures which included reviewing management's assessment of both a comparison of the valuations to indexed movements and a lookback test to assess the reasonableness of historic estimates against subsequent actual valuations. We noted no material exceptions from these procedures.

Key audit matter	How our audit addressed the key audit matter
Accounting for commercial arrangements (Group)	
Refer to Notes 2.3(ii) and 3.3 of the consolidated financial statements for disclosures of the related accounting policies, judgements and estimates and Note 18 to the financial statements. The Group has various types of commercial arrangements in place with customers, offering a range of promotions and discounts. These arrangements vary in nature. Some of the arrangements are subject to a higher degree of estimation, for instance when it is dependent on the customer achieving a growth target or the contract period is not coterminous with the Group's financial period. This requires management to recognise an estimate of the accrual related to in-period promotional activity which remains unsettled at the Group's period end. The unsettled liability from all commercial arrangements at 30 March 2024 was £74.3m. At the period end, for those arrangements subject to a higher degree of estimation, there is a risk related to uncertainty arising from the accuracy of estimated sales volumes attributable to each arrangement or estimation of the final expected settlement, which could vary based on subsequent commercial negotiations. Additionally, there is a risk that these arrangements are not completely accounted for which would result in revenue being misstated as revenue is recognised net of the outflows from these arrangements.	We obtained an understanding of the processes for accounting for commercial arrangements and assessed the design and implementation of the corresponding controls. We obtained an understanding of the different types of arrangements in place with customers, including the nature of the agreements and the level of estimation involved in accounting for each. For a sample of those commercial arrangements subject to a higher degree of estimation, we traced the nature of the arrangements to supporting documentation such as contracts, correspondence with customers, and to invoices and settlements as appropriate. We also evaluated the accuracy of the period end commercial accruals balance by considering the precision of amounts accrued compared to amounts actually settled from promotional activity across the period. We found no material misstatements from our testing. We also performed flux analyses over the commercial accruals balance for i) one month post period end (comparing the balance at 30 April 2024 to the balance at 30 March 2024) and ii) period on period (comparing the period end balance at FY24 to the prior FY23 period end) with a view to corroborating the completeness of the commercial arrangements recognised and any significant variances that required investigation. We did not identify any significant variances from our work. To assess the completeness of the accounting for commercial arrangements, including the period end promotions accrued, we performed customer store visits and checked online vendors in the week prior to the balance sheet date with a sample of those products found to be on promotion traced to the Group's accounting records without exception.

Key audit matter	How our audit addressed the key audit matter
Valuation of the brand intangible asset recognised on acquisition of FUEL 10K Limited (Group)	
Refer to Notes 2.19 and 3.4 of the consolidated financial statements for disclosures of the related accounting policies, judgements and estimates and Note 28 to the financial statements. The Group completed the acquisition of FUEL 10K on 29 October 2023 for a total consideration of £36.2m, which includes an initial cash consideration of £29.6m, and an estimated performance linked consideration (at present value) of £6.6m at the date of acquisition. An intangible asset of £14.4m relating to the FUEL 10K Limited brand was recognised as a fair value adjustment on acquisition. The calculation of the brand fair value is subjective due to the inherent uncertainty involved in certain key assumptions underpinning the valuation, including revenue projections, the discount rate and royalty rate. Changes in assumptions could result in a materially different brand intangible asset value being recognised and a corresponding increase or decrease in the value of the residual goodwill recognised.	We performed audit procedures over the identification of the brand intangible asset acquired and its valuation. We involved our valuation specialists in our audit of the valuation of the brand intangible asset acquired, including an assessment of the appropriateness of the valuation model used and an assessment of the reasonableness of the discount and royalty rates used in the model. We checked the revenue forecasts used in the valuation of the brand intangible asset were consistent with the Board-approved plan, and considered the reasonableness of revenue growth assumptions in relation to recent trading post-acquisition. We also considered the consistency of the FUEL 10K Limited revenue forecasts that were used in the brand intangible asset valuation model against those forecast cash flows used in other asset impairment models prepared at the period end, including those applied in management's calculations for the Company's investment in group undertakings impairment assessment referred to below. We found that the valuation method used and the judgements and estimates applied in the revenue forecasts, discount rate and royalty rate used in the valuation of the brand intangible asset acquired to be reasonable.
Recoverability of investment in group undertakings (Company)	
Refer to Notes 1 and 2 of the Company financial statements for disclosures of the related accounting policies, judgements and estimates and Note 4 to the financial statements. The Company held an investment in group undertakings of £1,120.6m at 30 March 2024. The assessment of the recoverability of this asset included determining whether any impairment indicators had arisen that triggered the need for a formal impairment assessment. Management determined the existence of an impairment indicator and therefore completed a formal impairment assessment, which required the application of management judgement and estimation. Management's assessment concluded that the recoverable amount of the investment, supported by the value in use model, exceeded the Company's carrying value of the investment in group undertakings.	In response to management's formal impairment assessment, a discounted cash flow model was prepared to determine the value in use of the Group. We have assessed the consistency of the cash flow forecasts with the Board approved five year plan and considered the reasonableness of key assumptions in relation to recent trading and market outlook. We also challenged the extent to which climate change considerations had been reflected, as appropriate, in the cash flow forecasts. We found that the forecasts had been completed on a basis consistent with prior years and were an appropriate basis upon which management could base their conclusions. We evaluated the historical accuracy of the cash flow forecasts and found these to be reasonable. We compared certain key market assumptions within the forecasts to available industry research data, specifically in relation to revenue growth, which supported the assumptions made. We evaluated the appropriateness of management's value in use model, including agreeing amounts to supporting evidence and checking mathematical accuracy of calculations, and engaging our valuations specialists to evaluate the reasonableness of the discount rate and long-term growth rate assumptions applied and found the model to be prepared on an appropriate basis. We further considered that the Group's market capitalisation exceeds the carrying value of the Company's investment in group undertakings providing corroboratory evidence to management's conclusion that there is no impairment. Based on our procedures performed we concurred with management's conclusion that the carrying value of the Company's investment in group undertakings is recoverable.

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.

As set out in note 4 'Segmental analysis', the Group has two reportable segments: 'Grocery' (which includes the grocery and international divisions) and 'Sweet Treats'. The Group's financial statements are a consolidation of reporting units, being holding companies, intermediate holding companies and operating companies of which the majority are in the United Kingdom. Two reporting units, being Premier Foods Group Limited and Premier Foods Group Services Limited, account for a significant portion of the Group's results. We accordingly focused our work on these two reporting units, which were subject to audits of their complete financial information. In addition, to increase our coverage of the Group's balance sheet we performed full scope audit procedures at an additional three reporting units all located in the UK. Our in scope components accounted for 99% of the Group's revenue and 99% of the Group's absolute profit before taxation.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management has 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 Taskforce on Climate-related Financial Disclosures (TCFD). In addition to enquiries with management, we also understood the governance processes in place to assess climate risk. We challenged the completeness of management's climate risk assessment by comparing this to assessments performed by other groups for completeness and reading the Group's website/communications to ensure details of climate related impacts communicated to shareholders have been included. Management considers that climate risk does not give rise to a potential material financial statement impact. We considered impairment of non-current assets, especially impairment of goodwill and intangible assets, as the area to potentially be materially impacted by climate risk and consequently we focused our audit work in this area. To respond to the audit risks identified in this area 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 flow models prepared by management that are used in the Group's impairment assessment. We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the 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	£7,575,000 (2023: £5,650,000).	£5,310,000 (2023: £3,000,000).
How we determined it	approximately 5% of profit before taxation	1% of total assets
Rationale for benchmark applied	We believe that profit before taxation is a key metric for investors and is used by the Board in measuring the Group's financial performance.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted benchmark. The value is capped for the purpose of the Group audit with reference to Group materiality.

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 between £3,300,000 to £5,310,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

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 approximately 75% (2023: 75%) of overall materiality, amounting to £5,600,000 (2023: £4,237,000) for the Group financial statements and £3,982,500 (2023: £2,250,000) 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 £295,000 (Group audit) (2023: £282,000) and £265,000 (Company audit) (2023: £150,000) 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 management's Board-approved strategic plan for the five year period ended 31 March 2029. We held discussions with management to understand the budgeting process and the key assumptions made in the forecasting processes;
- Obtaining and assessing management's going concern assessment, supporting documents and performed a comparison of the cash flow forecasts used in the going concern assessment to those in the strategic plan and, where applicable, compared these forecasts for consistency to those used elsewhere in the business, including for impairment assessments;
- Assessing the appropriateness of and challenging management's assumptions included in the assessment;
- Reviewing management's severe but plausible downside scenario and challenged management on the number of downside assumptions modelled, and whether these are prudent enough whilst still being realistic. We have also challenged management regarding the likelihood of these scenarios occurring simultaneously;
- Obtaining and reviewing external evidence in support of revenue growth applied in the model and noted that management's assumptions are reasonable, as these consider past historical trends in line with price increases and volumes;
- Performing a breakpoint analysis to assess the reduction in trading profit required to cause a breach in debt covenants and the reduction in EBITDA to fully erode liquidity headroom and deem the headroom available to support the judgement over the going concern to be appropriate;
- Challenging management on whether the effect of expected capex in relation to climate change has been sufficiently modelled in the going concern assessment;
- We have reviewed the disclosures included within the financial statements and deem them to be appropriate.

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.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report 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, 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 breaches of food safety and hygiene, 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 UK corporation 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 inappropriate journal entries to materially misstate the financial statements and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Performing inquiries with management at multiple levels across the business, internal audit and the Group's legal counsel throughout the period, as well as at period end. These discussions have included consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's internal controls through inspection of internal audit report findings and their overall risk assessment process designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations (for example a credit entry to revenue with a debit entry to an unexpected account) and journals posted by senior management;
- Incorporating elements of unpredictability around the nature, timing or extent of our audit procedures performed;
- Performing procedures to ensure the financial statements are appropriately prepared and disclosed in line with the Companies Act 2006; and
- Inspecting the minutes of meetings to ensure we have identified any possible non-compliance reported internally.

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 Directors' remuneration report 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 directors on 23 August 2022 to audit the financial statements for the 52 week period ended 1 April 2023 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the 52 week periods ended 1 April 2023 to 30 March 2024.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Richard Porter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

16 May 2024

Consolidated statement of profit or loss

	Note	**52 weeks ended 30 March 2024 £m**	52 weeks ended 1 April 2023 £m
Revenue	4	**1,137.5**	1,006.4
Cost of sales		**(705.2)**	(648.2)
Gross profit		**432.3**	358.2
Selling, marketing and distribution costs		**(178.8)**	(142.0)
Administrative costs		**(75.8)**	(87.8)
Other income	6	**–**	3.8
Operating profit	4, 5	**177.7**	132.2
Finance cost	8	**(30.4)**	(21.7)
Finance income	8	**4.1**	1.9
Profit before taxation		**151.4**	112.4
Taxation	9	**(38.9)**	(20.8)
Profit for the period attributable to owners of the parent		**112.5**	91.6
Earnings per share (pence)			
Basic	10	**13.0**	10.6
Diluted	10	**12.7**	10.4

Consolidated statement of comprehensive income

	Note	**52 weeks ended 30 March 2024 £m**	52 weeks ended 1 April 2023 £m
Profit for the period		**112.5**	91.6
Other comprehensive (expense)/income, net of tax			
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit schemes	14	**(237.7)**	(245.6)
Deferred tax credit	9	**50.6**	52.7
Current tax credit	9	**8.4**	7.2
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation		**(0.5)**	0.6
Other comprehensive expense, net of tax		**(179.2)**	(185.1)
Total comprehensive expense attributable to owners of the parent		**(66.7)**	(93.5)

The notes on pages 133 to 175 form an integral part of the consolidated financial statements.

Consolidated balance sheet

Registered Number: 005160050

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
ASSETS:			
Non-current assets			
Property, plant and equipment	11	**190.4**	185.9
Goodwill	12	**702.7**	680.3
Other intangible assets	13	**289.6**	294.4
Deferred tax assets	9	**22.4**	22.4
Net retirement benefit assets	14	**810.0**	960.1
		2,015.1	2,143.1
Current assets			
Inventories	15	**98.9**	93.7
Trade and other receivables	16	**115.7**	103.9
Cash and cash equivalents	17	**102.3**	64.4
Derivative financial instruments	19	**–**	0.8
		316.9	262.8
Total assets		**2,332.0**	2,405.9
LIABILITIES:			
Current liabilities			
Trade and other payables	18	**(264.6)**	(255.4)
Financial liabilities			
– short-term borrowings	20	**–**	(1.0)
– derivative financial instruments	19	**(0.8)**	(0.5)
Lease liabilities	20	**(2.7)**	(2.1)
Provisions for liabilities and charges	21	**(9.8)**	(13.3)
Current income tax liabilities	9	**(0.4)**	–
		(278.3)	(272.3)
Non-current liabilities			
Long-term borrowings	20	**(325.7)**	(324.4)
Lease liabilities	20	**(9.5)**	(11.2)
Net retirement benefit obligations	14	**(208.5)**	(194.6)
Provisions for liabilities and charges	21	**(7.3)**	(6.6)
Deferred tax liabilities	9	**(152.9)**	(177.9)
Other liabilities	22	**(22.9)**	(12.9)
		(726.8)	(727.6)
Total liabilities		**(1,005.1)**	(999.9)
Net assets		**1,326.9**	1,406.0
EQUITY:			
Capital and reserves			
Share capital	23	**86.9**	86.8
Share premium	23	**2.7**	2.5
Merger reserve	23	**351.7**	351.7
Other reserves	23	**(9.3)**	(9.3)
Retained earnings	23	**894.9**	974.3
Total equity		**1,326.9**	1,406.0

The notes on pages 133 to 175 form an integral part of the consolidated financial statements.

The financial statements on pages 129 to 175 were approved by the Board of directors on 16 May 2024 and signed on its behalf by:

Alex Whitehouse
Chief Executive Officer

Duncan Leggett
Chief Financial Officer

Consolidated statement of cash flows

	Note	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Cash generated from operations	17	**146.4**	108.3
Interest paid		**(23.9)**	(20.4)
Interest received		**3.6**	0.8
Taxation paid		**(4.4)**	(1.5)
Cash generated from operating activities		**121.7**	87.2
Acquisition of subsidiaries, net of cash acquired	28	**(29.3)**	(43.8)
Purchases of property, plant and equipment		**(24.7)**	(15.5)
Purchases of intangible assets		**(8.1)**	(4.5)
Cash used in investing activities		**(62.1)**	(63.8)
Principal element of lease payments		**(1.8)**	(2.3)
Financing fees		**(0.5)**	(0.7)
Dividends paid	24	**(12.4)**	(10.3)
Purchase of shares to satisfy share awards		**(6.3)**	(2.5)
Proceeds from share issue		**0.3**	1.5
Cash used in financing activities		**(20.7)**	(14.3)
Net increase in cash and cash equivalents		**38.9**	9.1
Cash, cash equivalents and bank overdrafts at beginning of period		**63.4**	54.3
Cash, cash equivalents and bank overdrafts at end of period[1]	17	**102.3**	63.4

1 Cash and cash equivalents of £102.3m (2022/23: £63.4m) includes bank overdraft of £nil (2022/23: £1.0m) and cash and bank deposits of £102.3m (2022/23: £64.4m). See notes 17 and 20 for more details.

The notes on pages 133 to 175 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

	Note	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings[1] £m	Total equity £m
At 3 April 2022		86.3	1.5	351.7	(9.3)	1,076.7	1,506.9
Profit for the period		–	–	–	–	91.6	91.6
Remeasurements of defined benefit schemes	14	–	–	–	–	(245.6)	(245.6)
Deferred tax credit	9	–	–	–	–	52.7	52.7
Current tax credit	9	–	–	–	–	7.2	7.2
Exchange differences on translation		–	–	–	–	0.6	0.6
Other comprehensive expense		–	–	–	–	(185.1)	(185.1)
Total comprehensive expense		–	–	–	–	(93.5)	(93.5)
Shares issued	23	0.5	1.0	–	–	–	1.5
Share-based payments	23	–	–	–	–	4.6	4.6
Purchase of shares to satisfy share awards	23	–	–	–	–	(2.5)	(2.5)
Deferred tax movements on share-based payments	9	–	–	–	–	(0.7)	(0.7)
Dividends	24	–	–	–	–	(10.3)	(10.3)
At 1 April 2023		**86.8**	**2.5**	**351.7**	**(9.3)**	**974.3**	**1,406.0**
At 2 April 2023		**86.8**	**2.5**	**351.7**	**(9.3)**	**974.3**	**1,406.0**
Profit for the period		**–**	**–**	**–**	**–**	**112.5**	**112.5**
Remeasurements of defined benefit schemes	14	**–**	**–**	**–**	**–**	**(237.7)**	**(237.7)**
Deferred tax credit	9	**–**	**–**	**–**	**–**	**50.6**	**50.6**
Current tax credit	9	**–**	**–**	**–**	**–**	**8.4**	**8.4**
Exchange differences on translation		**–**	**–**	**–**	**–**	**(0.5)**	**(0.5)**
Other comprehensive expense		**–**	**–**	**–**	**–**	**(179.2)**	**(179.2)**
Total comprehensive expense		**–**	**–**	**–**	**–**	**(66.7)**	**(66.7)**
Shares issued	23	**0.1**	**0.2**	**–**	**–**	**–**	**0.3**
Share-based payments	23	**–**	**–**	**–**	**–**	**4.4**	**4.4**
Purchase of shares to satisfy share awards		**–**	**–**	**–**	**–**	**(6.3)**	**(6.3)**
Deferred tax movements on share-based payments	9	**–**	**–**	**–**	**–**	**1.6**	**1.6**
Dividends	24	**–**	**–**	**–**	**–**	**(12.4)**	**(12.4)**
At 30 March 2024		**86.9**	**2.7**	**351.7**	**(9.3)**	**894.9**	**1,326.9**

1 Included in Retained earnings at 30 March 2024 is £3.9m in relation to cumulative translation losses (2022/23: £3.4m loss, 2021/22: £3.7m loss).

The notes on pages 133 to 175 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Premier Foods plc (the 'Company') is a public limited company incorporated in the United Kingdom and domiciled in England, registered number 05160050, with its registered address at Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire AL1 2RE. The principal activity of the Company and its subsidiaries (the 'Group') is the manufacture and distribution of branded and own label food products. Copies of the Annual Report and financial statements are available on our website:

http://www.premierfoods.co.uk/investors/results-centre.

These Group consolidated financial statements were authorised for issue by the Board of directors on 16 May 2024.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These Group financial statements were prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. All amounts are presented to the nearest £0.1m, unless otherwise indicated. They are prepared on a going concern basis and under the historical cost basis, except for certain financial instruments and pension assets that have been measured at fair value.

The statutory accounting period is the 52 weeks from 2 April 2023 to 30 March 2024 and comparative results are for the 52 weeks from 3 April 2022 to 1 April 2023. All references to the 'period', unless otherwise stated, are for the 52 weeks ended 30 March 2024 and the comparative period, 52 weeks ended 1 April 2023.

The preparation of financial statements in conformity with UK-adopted international accounting standards requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The following standards and amendments to published standards, effective for periods on or after 1 January 2023, have been endorsed:

International Financial Reporting Standards

Amendments to IAS 1	*Presentation of Financial Statements*
Amendments to IAS 8	*Accounting policies, Changes in Accounting Estimates and Errors*
Amendments to IAS 12	*Income Taxes*
IFRS 17	*Insurance Contracts*

The following standards and amendments to published standards, effective for periods on or after 1 January 2024, have been endorsed:

International Financial Reporting Standards

Amendments to IAS 1	*Presentation of Financial Statements*
Amendments to IFRS 16	*Lease Accounting*
Amendments to IAS 12	*Income Taxes*
Amendments to IAS 7	*Statement of Cash Flows*
Amendments to IFRS 7	*Financial Instruments: Disclosures*

The Group has considered the new or revised standards above and concluded that either they are not relevant to the Group or would not have a material impact on the financial statements of the Group.

Basis for preparation of financial statements on a going concern basis

The Group's revolving credit facility includes net debt/EBITDA and EBITDA/interest covenants as detailed in note 20. In the event these covenants are not met then the Group would be in breach of its financing agreement and, as would be the case in any covenant breach, the banking syndicate could withdraw funding to the Group. The Group was compliant with its covenant tests as at 30 September 2023 and 30 March 2024.

Having undertaken a robust assessment of the Group's forecasts with specific consideration to the trading performance of the Group, cashflows and covenant compliance, the Directors have a reasonable expectation that the Group is able to operate within the level of its current facilities, meet the required covenant tests and has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial information for the reasons set out below:

2. Accounting policies continued

At 30 March 2024 the Group had total assets less current liabilities of £2,053.7m (2022/23: £2,133.6m), net current assets of £38.6m (2022/23: net current liabilities of £9.5m) and net assets of £1,326.9m (2022/23: £1,406.0m). Liquidity as at that date was £284.3m, made up of cash and cash equivalents, available overdrafts and undrawn committed credit facilities of £175.0m expiring in May 2026. At the time of the approval of this report, the cash and liquidity position of the group has not changed significantly.

The directors have rigorously reviewed the global political and economic uncertainty driven by current conflict, the inflationary pressures across the industry and the cost of living crisis and have modelled a severe but plausible downside case impacting future financial performance, cash flows and covenant compliance, that cover a period of at least 12 months from the date of approval of the financial statements. The downside case represents severe but plausible assumptions related primarily to the impact of inflation during the review period. The directors have also considered the impact of the outbreak of an infectious disease, climate change, cyber-attacks and changes in consumer preferences in the downside case modelled and have assumed all scenarios within the downside case impact during the period reviewed.

Whilst the downside scenario is deemed severe but plausible, it is considered by the directors to be a robust stress test of going concern, having an adverse impact on revenue, margin and cash flow. Should circumstances mean there is further downside, whilst not deemed plausible, the directors, in response have identified mitigating actions within their control, that would reduce costs, optimise cashflow and liquidity. Amongst these are the following actions: reducing capital expenditure, reducing marketing spend and delaying or cancelling discretionary spend. The directors have assumed no significant structural changes to the business will be needed in any of the scenarios modelled. None of the scenarios modelled are sufficiently material to prevent the Group from continuing as a going concern.

The Directors, after reviewing financial forecasts and financing arrangements, have a reasonable expectation that the Group has adequate resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of this report. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis (in accordance with the guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued by the FRC) in preparing its consolidated financial statements.

Climate change

The Group has considered the impact of both physical and transitional climate change risks on the financial statements of the Group. The Group does not consider there to be a material impact on the valuation of the Group's assets or liabilities, including useful economic life of property, plant and equipment, or on any significant accounting estimates or judgements. See note 14 for further details on how the trustee of the Group's pension scheme plans to integrate climate change considerations into their investment strategy. The Group will continue to monitor the impact on valuations of assets and liabilities as government policy evolves.

The impact of climate change has been considered in the projected cash flows used for impairment testing where the material risks identified in the TCFD statement, see page 42, have been modelled in the severe but plausible scenario for going concern and viability. See note 12 for further details.

2.2 Basis of consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of Premier Foods plc and entities controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed to or has rights to variable returns from involvement with an investee and has the ability to affect those returns through its power over the investee.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Revenue

Revenue comprises the invoiced value for the sale of branded and own label food products net of sales rebates, discounts, value added tax and other taxes directly attributable to revenue and after eliminating sales within the Group. Revenue is recognised when performance obligations are satisfied and the Group transfers control of products over to the customer. Transaction price per case is pre agreed per the price list with any discount related to an individual customer-run promotion agreed in advance. Long-term discounts and rebates are part of a commercial arrangement and the Group uses actual and forecast sales to estimate the level of discount or rebate. The Group uses the 'most likely amount' method to estimate the value of the variable consideration. Revenue is recognised on the following basis:

2.3 Revenue (continued)

(i) Sale of goods

Sales of goods are recognised as revenue when a customer gains control of the goods, which typically coincides with the time when the merchandise is delivered to customers and title passes.

(ii) Sales rebates and discounts

Sales related discounts comprise:

- Long-term discounts and rebates, which are sales incentives to customers to encourage them to purchase increased volumes and are related to total volumes purchased and sales growth.
- Short-term promotional discounts, which are directly related to promotions run by customers.

Sales rebates and discount accruals are treated as a reduction in the transaction price and are established at the time of sale based on management's best estimate of the amounts necessary to meet claims by the Group's customers in respect of these rebates and discounts and are reviewed for appropriateness at each reporting date. Accruals are made for each individual promotion or rebate arrangement and are based on the type and length of promotion and nature of customer agreement. At the time an accrual is made the nature and timing of the promotion is typically known. Accumulated experience is used to estimate and provide for rebates and discounts and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. As there is no right to enforce net settlement, the accruals are presented gross.

(iii) Commercial income

Commercial income received from suppliers through rebates and discounts is recognised within cost of sales over the period(s) to which the underlying contract or agreement relates. Accrued income is recognised for rebates on contracts covering the current period, for which no cash was received at the balance sheet date. Deferred income is recognised for rebates that were received from suppliers at the balance sheet date but relate to contracts covering future periods.

2.4 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for allocating resources and assessing performance of the operating segments. See note 4 for further details.

2.5 Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

The results of overseas subsidiaries with functional currencies other than in sterling are translated into sterling at the closing rate of exchange ruling in the period. The balance sheets of overseas subsidiaries are translated into sterling at the closing rate. Exchange differences arising from retranslation at the period end exchange rates of the net investment in foreign subsidiaries are recorded as a separate component of equity in reserves. All other exchange gains or losses are recorded in the statement of profit or loss.

2.6 Dividends

Dividend distributions to shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the shareholders, and for interim dividends in the period in which they are paid.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity point of less than three months at inception. Cash and cash equivalents and bank overdrafts are offset where there is a legally enforceable right to offset the recognised amounts and the Group intends to settle on a net basis.

Bank overdrafts which are not offset and that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2. Accounting policies continued

2.8 Property, plant and equipment ('PPE')

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

PPE is initially recorded at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure is added to the carrying value of the asset when it is probable that incremental future economic benefits will transfer to the Group. All other subsequent expenditure is expensed in the period it is incurred.

Differences between the cost of each item of PPE and its estimated residual value are written off over the estimated useful life of the asset using the straight-line method. Reviews of the estimated remaining useful lives and residual values of individual productive assets are performed annually, taking account of commercial and technological obsolescence as well as normal wear and tear. Freehold land is not depreciated. The useful economic lives of owned assets range from 15 to 50 years for buildings, 5 to 30 years for plant and equipment and 10 years for vehicles.

All items of PPE are reviewed for impairment when there are indications that the carrying value may not be fully recoverable.

Assets under construction represent the amount of expenditure recognised in the course of an asset's construction. Directly attributable costs that are capitalised as part of PPE include employee costs and an appropriate portion of relevant overheads. Depreciation of an asset is recognised from the time it is available for use. The difference between the carrying value of disposed assets and the net disposal proceeds is recognised in profit or loss.

2.9 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

In addition to goodwill, the Group recognises the following intangible assets:

Acquired intangible assets

Acquired brands and licences that are controlled through custody or legal rights and that could be sold separately from the rest of the business are capitalised, where fair value can be reliably measured. All these assets are considered to have finite lives and are amortised on a straight-line basis over their estimated useful economic lives that range from 15 to 40 years for brands.

Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the project or process is technically and commercially feasible. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Software development costs are amortised over their estimated useful lives on a straight-line basis over a range of 3 to 10 years.

The useful economic lives of intangible assets are determined based on a review of a combination of factors including the asset ownership rights acquired and the nature of the overall product life cycle. Reviews of the estimated remaining useful lives and residual values of individual intangible assets are performed annually.

Cloud computing arrangements

Licences to use cloud based software are only capitalised if the Group has both the contractual right to take possession of the software without significant penalty and the ability to run the software independently from the original supplier. All other cloud computing arrangements are treated as service contracts and charged to the statement of profit or loss over the term of the contract.

Costs to configure or customise software under a cloud computing arrangement are charged to the statement of profit or loss alongside the related service contract, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

Research

Expenditure on research activities is charged to the statement of profit or loss in the period in which it is incurred.

2.10 Impairment

The carrying values of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at least annually to determine whether there is an indication of impairment. For goodwill, the recoverable amount is estimated each year at the same time. Assets that are subject to amortisation are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets, other than goodwill, that have suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

Where an indication of impairment exists, the recoverable amount is estimated based on the greater of its value in use and its fair value less costs to sell. In assessing the fair value less costs to sell, the market approach is often used to derive market multiples from a set of comparative assets.

The Group reviews its identified CGUs for the purposes of testing goodwill on an annual basis, taking into consideration whether assets generate independent cash inflows. The recoverable amounts of CGUs are determined based on the higher of fair value less costs of disposal and value in use calculations. These calculations require the use of estimates.

Impairment losses are recognised in the statement of profit or loss in the period in which they occur.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash flows of other assets or groups of assets.

2.11 Finance cost and income

Finance cost

Borrowing costs are accounted for on an accruals basis in the statement of profit or loss using the effective interest method.

Finance income

Finance income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable, taking into consideration the interest element of derivatives.

2.12 Leases

Lease recognition

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases of properties in which the Group is a lessee, it has applied the practical expedient permitted by IFRS 16 and will account for each lease component and any associated non-lease components as a single lease component.

Right of use assets

The Group recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, less any lease incentives received. Right of use assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Right of use assets are subject to and reviewed regularly for impairment. Depreciation on right of use assets is predominantly recognised in cost of sales and administration costs in the consolidated statement of profit and loss.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed and variable lease payments that depend on an index or rate less any lease incentives receivable. Any variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Generally, the Group uses its incremental borrowing rate as the discount rate.

After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the fixed lease payments. Interest charges are included in finance costs in the consolidated statement of profit and loss and included in interest paid within cash flows from operating activities. Payments for the principal element of lease liabilities are presented within cash flows from financing activities.

Short-term leases and leases of low-value items

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of less than 12 months and leases of low-value assets. Lease payments relating to short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. Accounting policies continued

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Where appropriate, cost includes production and other attributable overhead expenses as described in IAS 2 Inventories. Cost is calculated on a first-in, first-out basis by reference to the invoiced value of supplies and attributable costs of bringing the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

All inventories are reduced to net realisable value where this is lower than cost.

A provision is made for slow moving, obsolete and defective inventory where appropriate.

2.14 Taxation

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax

Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income ('OCI') in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation is not provided on the initial recognition of an asset or liability in a transaction, other than in a business combination, if at the time of the transaction there is no effect on either accounting or taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the asset or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted as at the balance sheet date.

The measurement of deferred tax assets and liabilities reflect the directors' intention regarding the manner of recovery of an asset or settlement of a liability.

For the purpose of recognising deferred tax on the pension scheme surplus, withholding tax (at 25%) would apply for any surplus being refunded to the Group at the end of the life of the scheme.

The directors have concluded that the future corporation tax rate of 25% should apply to the recognition of deferred tax on the pension scheme surplus, reflecting the directors' intention regarding the manner of recovery of the deferred tax asset.

Deferred tax is recognised in the statement of profit or loss except when it relates to items credited or charged directly to OCI, in which case the deferred tax is also recognised in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

When assessing whether the recognition of a deferred tax asset can be justified, and if so at what level, the directors take into account the following:

- Historic business performance
- Projected profits or losses and other relevant information that allow profits chargeable to corporation tax to be derived
- The total level of recognised and unrecognised losses that can be used to reduce future forecast taxable profits
- The period over which there is sufficient certainty that profits can be made that would support the recognition of an asset

Further disclosures of the amounts recognised (and unrecognised) are contained within note 9.

2.15 Employee benefits

Group companies provide a number of long-term employee benefit arrangements, primarily through pension schemes. The Group has both defined benefit and defined contribution schemes.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The liability or surplus recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for remeasurement and past service costs. Defined benefit obligations are calculated using assumptions determined by the Group with the assistance of independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

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

Past service costs, administration costs, and the net interest on the net defined benefit liability or surplus are recognised immediately in the statement of profit or loss.

Curtailments are recognised as a past service cost when the Group makes a significant reduction in the number of employees covered by a plan or amends the terms of a defined benefit plan so that a significant element of future service by current employees no longer qualifies for amended benefits.

Plan assets of the defined benefit schemes include a number of assets for which quoted prices are not available. At each reporting date, the Group determines the fair value of these assets with reference to most recently available information. The trustees of the schemes have integrated climate change considerations into their long-term decision making and reporting processes. See note 14 for further details.

To the extent a surplus arises under IAS 19, the Group ensures that it can recognise the associated asset in line with IFRIC 14 with no restrictions. There are no restrictions on the current realisability of the surplus.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees. Differences between contributions payable in the period and contributions actually paid are recognised as either accruals or prepayments in the balance sheet.

2.16 Share-based payments

The Group operates a number of equity-settled share-based compensation plans. The fair value of employee share option plans is calculated using an option valuation model, taking into account the terms and conditions upon which the awards were granted. In accordance with International Financial Reporting Standard 2, Share-Based Payment ('IFRS 2'), the resulting expense is charged to the profit and loss account over the vesting period of the options. The value of the charge is adjusted to reflect expected and actual levels of options vesting.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards/options granted, adjusted where required for the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Market conditions are included in assumptions about the number of share awards/options that are expected to vest which is factored into the grant date fair value for awards with these conditions attached.

At each balance sheet date, the Group revises its estimates of the number of share awards/options that are expected to vest (for those with non-market conditions) and recognises the impact of the revision to original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

2.17 Provisions

Provisions (for example property exit costs) are recognised when the Group has present legal or constructive obligations as a result of past events, that can be reliably measured, and it is probable that an outflow of resources will be required to settle the obligation. Where material, the Group discounts its provisions using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

2. Accounting policies continued

2.18 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially measured at the transaction price and at the point of recognition an expected credit loss is recognised to reflect the future risk of default. Trade receivables are subsequently measured at amortised cost less any additional, specific provisions for impairment. A specific provision is made for impairment when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the receivables. Trade and other receivables are written off when the Group has no reasonable expectation of recovering the amounts due.

Trade and other receivables are discounted when the time value of money is considered material. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit losses adjusted to reflect current and forward-looking information on economic factors affecting the ability of the customers to settle the receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group has certain trade receivables which are subject to a trade receivable purchase arrangement under a non-recourse facility. Trade receivables that are sold without recourse are de-recognised when the risks and rewards of the receivables have been fully transferred to the facility provider. The risks and rewards of the receivables are considered to be fully transferred on receipt of proceeds from the facility provider to settle the debtor. The facility provider has no recourse to the Group in the event of non-payment by the debtor once the proceeds have been received from the facility provider. The associated interest is recognised as interest expense in the income statement.

Bank borrowings

Interest-bearing bank loans and overdrafts are measured initially at fair value and subsequently at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs and inclusive of debt issuance costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost. Trade payables and other liabilities are discounted when the time value of money is considered material.

Equity instruments

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs.

Deferred contingent consideration

Liabilities for deferred contingent consideration arising on a business combination are measured at fair value and remeasured at each reporting date. Any changes in the fair value of deferred contingent consideration are recognised immediately in profit or loss.

2.19 Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

3. Significant estimates and judgements

The following are areas of particular significance to the Group's financial statements and may include the use of estimates. Results may differ from actual amounts.

Significant accounting estimates

The following are considered to be the key estimates within the financial statements:

3.1 Employee benefits

The present value of the Group's defined benefit pension obligations depends on a number of actuarial assumptions. The primary assumptions used include the discount rate applicable to scheme liabilities, the long-term rate of inflation and estimates of the mortality applicable to scheme members. Each of the underlying assumptions is set out in more detail in note 14.

At each reporting date, and on a continuous basis, the Group reviews the macro-economic, Company and scheme specific factors influencing each of these assumptions, using professional advice, in order to record the Group's ongoing commitment and obligation to defined benefit schemes in accordance with IAS 19 (Revised).

Plan assets of the defined benefit schemes include a number of assets for which quoted prices are not available. At each reporting date, the Group determines the fair value of these assets with reference to most recently available asset statements from fund managers.

Where pensions asset valuations were not available at the reporting date, as is usual practice, valuations at 31 December 2023 are rolled forward for cash movements to end of March 2024 to estimate the valuations for these assets. This approach is principally relevant for Infrastructure Funds, Private Equity, Absolute Return Products, Property Assets, Illiquid Credits and Global Credits. Management have reviewed the individual investments to establish where valuations are not expected to be available for inclusion in these financial statements, movements in the most comparable indexes have then been applied to these investments to be reported as lagged valuations to establish any potential estimation uncertainty within the results.

3.2 Goodwill

Impairment reviews in respect of goodwill are performed at least annually and more regularly if there is an indicator of impairment. Impairment reviews in respect of intangible assets are performed when an event indicates that an impairment review is necessary. Examples of such triggering events include a significant planned restructuring, a major change in market conditions or technology, expectations of future operating losses, or a significant reduction in cash flows. In performing its impairment analysis, the Group takes into consideration these indicators including the difference between its market capitalisation and net assets.

The Group has considered the impact of the assumptions used on the calculations and has conducted sensitivity analysis on the value in use calculations of the CGUs carrying values for the purposes of testing goodwill. See note 12 for further details.

3.3 Commercial arrangements

Sales rebates and discounts are accrued on each relevant promotion or customer agreement and are charged to the statement of profit or loss at the time of the relevant promotional buy-in as a deduction from revenue. Accruals for each individual promotion or rebate arrangement are based on the type and length of promotion and nature of customer agreement. At the time an accrual is made the nature, funding level and timing of the promotion is typically known. Areas of estimation are sales volume/activity, phasing and the amount of product sold on promotion.

For short-term promotions, the Group performs a true up of estimates where necessary on a monthly basis, using real time customer sales information where possible and finally on receipt of a customer claim which typically follows 1-2 months after the end of a promotion. For longer-term discounts and rebates the Group uses actual and forecast sales to estimate the level of rebate. These accruals are updated monthly based on latest actual and forecast sales. If the Commercial accruals balance moved by 5.0% in either direction this would have an impact of £3.7m.

3.4 Estimated values of acquired intangible assets on acquisitions

During the year, the Group completed the acquisition of Fuel10K Limited. An intangible asset relating to the brand was recognised as a fair value adjustment to the opening balance sheet. The brand asset is valued using a relief from royalty approach. The key assumptions underpinning the brand asset valuation are the revenue projections, discount rates and royalty rates. Applying different assumptions could result in a significantly different brand intangible asset and a corresponding increase or decrease in the value of the residual goodwill recognised.

Judgements

The following are considered to be the key judgements within the financial statements:

3.5 Non-trading items

Non-trading items have been presented separately throughout the financial statements. These are items that management believes require separate disclosure by virtue of their nature in order that the users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance. In identifying non-trading items, management have applied judgement including whether i) the item is related to underlying trading of the Group; and/or ii) how often the item is expected to occur.

4. Segmental analysis

IFRS 8 requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ('CODM'). The CODM has been determined to be the Executive Leadership Team as it is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The Group's operating segments are defined as 'Grocery', 'Sweet Treats', and 'International'. The CODM reviews the performance by operating segment. The Grocery segment primarily sells savoury ambient food products and the Sweet Treats segment sells primarily sweet ambient food products. The International segment has been aggregated within the Grocery segment for reporting purposes as revenue is below 10% of the Group's total revenue and the segment is considered to have similar characteristics to that of Grocery as identified in IFRS 8. There has been no change to the segments during the period.

The CODM uses Divisional contribution as the key measure of the segments' results. Divisional contribution is defined as gross profit after selling, marketing and distribution costs. Divisional contribution is a consistent measure within the Group and reflects the segments' underlying trading performance for the period under evaluation.

The Group uses trading profit to review overall Group profitability. Trading profit is defined as pre-tax profit/loss before net finance costs, amortisation of intangible assets, fair value movements on foreign exchange and other derivative contracts, net interest on pensions and administrative expenses, and any material items that require separate disclosure by virtue of their nature in order that users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance.

Revenues in the period ended 30 March 2024, from the Group's four principal customers, which individually represent over 10.0% of total Group revenue, are £289.9m, £156.5m, £127.9m and £109.6m (2022/23: £242.6m, £142.7m, £114.4m and £96.2m). These revenues relate to both the Grocery and Sweet Treats reportable segments.

The Group primarily supplies the UK market, although it also supplies certain products to other countries in Europe and the rest of the world. The following table provides an analysis of the Group's revenue, which is allocated on the basis of geographical market destination, and an analysis of the Group's non-current assets by geographical location.

The segment results for the period ended 30 March 2024 and for the period ended 1 April 2023 and the reconciliation of the segment measures to the respective statutory items included in the consolidated financial statements are as follows:

	52 weeks ended 30 March 2024			52 weeks ended 1 April 2023		
	Grocery £m	**Sweet Treats £m**	**Total £m**	Grocery £m	Sweet Treats £m	Total £m
External revenues	**850.4**	**287.1**	**1,137.5**	746.8	259.6	1,006.4
Divisional contribution	**219.8**	**33.7**	**253.5**	189.2	27.0	216.2
Group and corporate costs			**(74.0)**			(62.5)
Other income			**–**			3.8
Trading profit			**179.5**			157.5
Amortisation of brand assets			**(20.9)**			(20.7)
Fair value movements on foreign exchange and other derivative contracts[1]			**(1.1)**			(1.8)
Net interest on pensions and administrative expenses			**31.6**			17.7
Non-trading items:						
– Impairment of fixed assets[2]			**(4.2)**			(3.6)
– Restructuring costs[3]			**(5.3)**			(11.1)
– Other non-trading items[4]			**(1.9)**			(5.8)
Operating profit			**177.7**			132.2
Finance cost			**(30.4)**			(21.7)
Finance income			**4.1**			1.9
Profit before taxation			**151.4**			112.4

1 The loss of £1.1m (2022/23: loss of £1.8m) reflects changes in fair value rate during the 52-week period and movement in nominal value of the instruments held at 30 March 2024 from the 1 April 2023 position.

2 Impairment of fixed assets in the current period primarily relates to the closure of the Knighton and Charnwood sites. Impairment of fixed assets in the prior period related to the Knighton site closure.

3 Restructuring costs in the current period includes £3.7m which primarily relates to the closure of the Knighton site with the remainder relating to the closure of the Charnwood site. Restructuring costs in the prior period included £7.6m which relates to the closure of the Knighton site with the remainder primarily relating to some supply chain restructuring.

4 Other non-trading items in both the current and the prior period relate primarily to M&A transaction costs.

4. Segmental analysis continued

Revenue

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
United Kingdom	**1,067.1**	943.1
Other Europe	**34.9**	28.1
Rest of world	**35.5**	35.2
Total	**1,137.5**	1,006.4

Non-current assets

	As at 30 March 2024 £m	As at 1 April 2023 £m
United Kingdom	**1,182.7**	1,160.6

Non-current assets exclude deferred tax assets and net retirement benefit assets.

5. Operating profit

5.1 Analysis of costs by nature

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Employee benefits expense (note 7)	**(212.1)**	(209.2)
Depreciation of property, plant and equipment (note 11)	**(19.5)**	(19.9)
Amortisation of intangible assets (note 13)	**(25.8)**	(25.6)
Repairs and maintenance expenditure	**(36.1)**	(31.6)
Research and development costs	**(9.2)**	(8.5)
Non-trading items		
– Impairment of property, plant and equipment (note 11)	**(4.2)**	(3.6)
– Restructuring costs	**(5.3)**	(11.1)
– Other non-trading items	**(1.9)**	(5.8)
Auditors' remuneration (note 5.2)	**(1.5)**	(1.5)

5.2 Auditors’ remuneration

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Fees payable to the Group’s auditors for the audit of the consolidated and parent company financial statements of Premier Foods plc	**(1.0)**	(1.0)
- The audit of the Group’s subsidiaries, pursuant to legislation	**(0.2)**	(0.2)
Fees payable to the Group’s auditors and its associates for other services:		
– Audit related assurance services[1]	**(0.2)**	(0.2)
– Other assurance services[2]	**(0.1)**	(0.1)
Total auditors remuneration	**(1.5)**	(1.5)

1 Audit related assurance services includes £0.2m (2022/23: £0.2m) for the review of the half-year report.

2 Other assurance services relates primarily to sustainability assurance work.

The total operating profit charge for auditors remuneration was £1.5m (2022/23: £1.5m).

6. Other income

Other income of £3.8m in the prior period related to a receipt following temporary interruption at a manufacturing site.

7. Employees

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Employee benefits expense		
Wages, salaries and bonuses	**(177.2)**	(169.0)
Social security costs	**(18.0)**	(17.1)
Termination benefits[1]	**(2.3)**	(10.3)
Share options granted to directors and employees	**(4.4)**	(4.6)
Contributions to defined contribution schemes (note 14)	**(10.2)**	(8.2)
Total	**(212.1)**	(209.2)

1 Termination benefits in the current period relate primarily to the closure of the Charnwood site. Termination benefits in the prior period relates to the closure of the Knighton site and some supply chain restructuring.

Average monthly number of people employed (including executive directors):

	52 weeks ended 30 March 2024 Number	52 weeks ended 1 April 2023 Number
Average monthly number of people employed		
Management	**694**	624
Administration	**377**	380
Production, distribution and other	**3,161**	3,318
Total	**4,232**	4,322

Directors' remuneration is disclosed in the audited section of the Directors' Remuneration Report on pages 96 to 115, which forms part of these consolidated financial statements.

8. Finance income and costs

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Interest payable on bank loans and overdrafts	**(11.9)**	(7.4)
Interest payable on senior secured notes	**(11.5)**	(11.5)
Interest payable on revolving facility	**–**	(0.3)
Other interest payable[1]	**(5.2)**	(0.6)
Amortisation of debt issuance costs	**(1.8)**	(1.9)
Total finance cost	**(30.4)**	(21.7)
Interest receivable on bank deposits	**3.6**	0.8
Other finance income[2]	**0.5**	1.1
Total finance income	**4.1**	1.9
Net finance cost	**(26.3)**	(19.8)

1 Included in other interest payable is £0.8m charge (2022/23: £0.6m charge) relating to non-cash interest costs on lease liabilities under IFRS 16 and £4.4m (2022/23: £nil) relating to the unwind of the Group's long-term provisions and contingent consideration related to Group acquisitions.

2 Other finance income primarily relates to the unwind of the discount of the Group's long-term provisions.

9. Taxation

Current tax

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Current tax		
– Current period	**(14.6)**	(8.1)
– Prior periods	**0.6**	–
Deferred tax		
– Current period	**(24.9)**	(15.8)
– Prior periods	**–**	0.7
– Changes in tax rate on the opening balance	**–**	2.4
Income tax charge	**(38.9)**	(20.8)

Tax relating to items recorded in other comprehensive income included:

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Corporation tax credit on pension movements	**8.4**	7.2
Deferred tax credit on pension movements	**50.6**	52.7
	59.0	59.9

The applicable rate of corporation tax for the period increased to 25.0% from 19.0% starting in April 2023. This was previously enacted in 2021 and UK deferred taxes at 30 March 2024 and 1 April 2023 have been measured using these enacted tax rates.

The tax charge for the period differs from the standard rate of corporation tax in the United Kingdom of 25.0% (2022/23: 19.0%). The reasons for this are explained below:

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Profit before taxation	**151.4**	112.4
Tax charge at the domestic income tax rate of 25.0% (2022/23: 19.0%)	**(37.9)**	(21.4)
Tax effect of:		
Non-deductible items	**(1.3)**	(0.1)
Impairment of tangible assets	**(0.5)**	–
Overseas losses not recognised	**(0.8)**	–
Acquisitions	**1.0**	–
Recognition of previously unrecognised losses	**–**	0.2
Adjustment due to change in tax rate on the opening balances	**–**	2.3
Difference between current and deferred tax rate	**–**	(3.5)
Tax incentives	**–**	1.0
Adjustments to prior periods	**0.6**	0.7
Income tax charge	**(38.9)**	(20.8)

There is no movement in losses recognised for the 52 weeks ended 31 March 2024. In the prior year £0.2m was recognised in relation to overseas losses. Corporation tax losses are not recognised where future recoverability is uncertain.

The adjustments to prior periods of £0.6m (2022/23: £0.7m) relates primarily to the changes in prior period intangibles, movement in provisions, capital allowances and RDEC (Research and Development expenditure credit) following verifications in submitted returns.

9. Taxation continued

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, including the UK. The legislation will be effective for the Group's financial year beginning 31 March 2024. The Group is in scope of the Pillar Two legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent country-by-country reporting prepared for the Group and based on this assessment, the Group does not expect any material potential exposure to Pillar Two top-up taxes.

Deferred tax

Deferred tax is calculated in full on temporary differences using the tax rate appropriate to the jurisdiction in which the asset/(liability) arises and the tax rates that are expected to apply in the periods in which the asset or liability is settled.

	2023/24 £m	2022/23 £m
At 2 April 2023/3 April 2022	**(155.5)**	(189.8)
Business Combinations	**(2.3)**	(5.0)
Charged to the statement of profit or loss	**(24.9)**	(12.7)
Credited to other comprehensive income	**50.6**	52.7
Credited/(Charged) to equity	**1.6**	(0.7)
At 30 March 2024/1 April 2023	**(130.5)**	(155.5)

The Group has not recognised £10m of deferred tax assets (2022/23: £2.2m not recognised) relating to UK and international corporation tax losses as future recoverability is considered uncertain. In addition, the Group has not recognised a tax asset of £67.8m (2022/23: £67.8m) relating to Advanced Corporation Tax (ACT) and £75.8m (2022/23: £75.8m) relating to capital losses. Under current legislation these can generally be carried forward indefinitely.

Deferred tax liabilities	**Intangibles £m**	**Retirement benefit obligation £m**	**Leases £m**	**Other £m**	**Total £m**
At 3 April 2022	(64.5)	(233.9)	(3.8)	(1.3)	(303.5)
Acquisition of *The Spice Tailor*	(5.0)	–	–	–	(5.0)
Charge due to change in corporate tax rate					
– To statement of profit or loss	(0.3)	–	–	–	(0.3)
Current period credit/(charge)	1.5	(6.7)	3.0	–	(2.2)
Credited to other comprehensive (expense)/income	–	52.7	–	–	52.7
At 1 April 2023	(68.3)	(187.9)	(0.8)	(1.3)	(258.3)
At 2 April 2023	**(68.3)**	**(187.9)**	**(0.8)**	**(1.3)**	**(258.3)**
Acquisition of FUEL 10K Limited	**(3.6)**	**–**	**–**	**–**	**(3.6)**
Current period credit/(charge)	**1.7**	**(10.0)**	**0.4**	**1.0**	**(6.9)**
Credited to other comprehensive income	**–**	**50.6**	**–**	**–**	**50.6**
At 30 March 2024	**(70.2)**	**(147.3)**	**(0.4)**	**(0.3)**	**(218.2)**

Deferred tax assets	Accelerated tax depreciation £m	Share-based payments £m	Losses £m	Other £m	Total £m
At 3 April 2022	51.3	3.9	57.7	0.8	113.7
Credit due to change in corporate tax rate					
– To statement of profit or loss	2.3	–	0.3	0.1	2.7
Current period (charge)/credit	(13.9)	0.5	(2.2)	2.0	(13.6)
Credited to equity	–	(1.2)	–	–	(1.2)
Prior period credit					
– To statement of profit or loss	0.5	0.2	–	–	0.7
– To equity	–	0.5	–	–	0.5
At 1 April 2023	**40.2**	**3.9**	**55.8**	**2.9**	**102.8**
At 2 April 2023	**40.2**	**3.9**	**55.8**	**2.9**	**102.8**
Acquisition of FUEL 10K Limited	**–**	**–**	**1.3**	**–**	**1.3**
Current period (charge)/credit	**(11.3)**	**1.0**	**(7.4)**	**(0.3)**	**(18.0)**
Credited to equity	**–**	**1.6**	**–**	**–**	**1.6**
Prior period (charge)/credit					
– To statement of profit or loss	**0.1**	**–**	**0.7**	**(0.8)**	**–**
At 30 March 2024	**29.0**	**6.5**	**50.4**	**1.8**	**87.7**

Deferred tax asset on losses and accelerated tax depreciation	£m
As at 30 March 2024	**22.4**
As at 1 April 2023	22.4

Net deferred tax liability	£m
As at 30 March 2024	**(152.9)**
As at 1 April 2023	(177.9)

Where there is a legal right of offset and an intention to settle as such, deferred tax assets and liabilities may be presented on a net basis. This is the case for most of the Group's deferred tax balances except non-trading losses of £22.4m (2022/23: £22.4m). The remainder of deferred tax assets have therefore been offset in the tables above. Substantial elements of the Group's deferred tax assets and liabilities, primarily relating to the defined benefit pension obligation, are greater than one year in nature.

10. Earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to owners of the parent of £112.5m (2022/23: £91.6m profit) by the weighted average number of ordinary shares of the Company.

Weighted average shares

	2023/24 Number (m)	2022/23 Number (m)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**862.4**	861.2
Effect of dilutive potential ordinary shares:		
– Share options	**21.1**	19.5
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**883.5**	880.7

Earnings per share calculation

	52 weeks ended 30 March 2024			52 weeks ended 1 April 2023		
	Basic	**Dilutive effect of share options**	**Diluted**	Basic	Dilutive effect of share options	Diluted
Profit after tax (£m)	**112.5**		**112.5**	91.6		91.6
Weighted average number of shares (m)	**862.4**	**21.1**	**883.5**	861.2	19.5	880.7
Earnings per share (pence)	**13.0**	**(0.3)**	**12.7**	10.6	(0.2)	10.4

10. Earnings per share continued

Dilutive effect of share options

The dilutive effect of share options is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The only dilutive potential ordinary shares of the Company are share options and share awards. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the share awards and the subscription rights attached to the outstanding share options.

No adjustment is made to the profit or loss in calculating basic and diluted earnings per share.

Adjusted earnings per share ('Adjusted EPS')

Adjusted earnings per share is defined as trading profit less net regular interest, less a notional tax charge at 25.0% (2022/23: 19.0%) divided by the weighted average number of ordinary shares of the Company.

Net regular interest is defined as net finance cost after excluding other interest payable and other interest receivable.

Trading profit and Adjusted EPS have been reported as the directors believe these assists in providing additional useful information on the underlying trends, performance and position of the Group.

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Trading profit (note 4)	**179.5**	157.5
Less net regular interest	**(21.6)**	(20.3)
Adjusted profit before taxation	**157.9**	137.2
Notional tax at 25.0% (2022/23: 19%)	**(39.5)**	(26.1)
Adjusted profit after taxation	**118.4**	111.1
Average shares in issue (m)	**862.4**	861.2
Adjusted basic EPS (pence)	**13.7**	12.9
Net regular interest		
Net finance cost	**(26.3)**	(19.8)
Exclude other finance income	**(0.5)**	(1.1)
Exclude other interest payable	**5.2**	0.6
Net regular interest	**(21.6)**	(20.3)

11. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Assets under construction £m	Right of use Assets £m	Total £m
Cost					
At 3 April 2022	101.4	348.0	8.6	12.1	470.1
Additions	1.0	9.1	6.4	5.7	22.2
Acquisition of subsidiary	–	0.1	–	–	0.1
Disposals	(0.6)	(8.8)	–	(1.3)	(10.7)
Remeasurement	–	–	–	(3.6)	(3.6)
Reclassified from intangibles	–	–	0.1	–	0.1
Transferred into use	0.7	7.0	(7.7)	–	–
At 1 April 2023	102.5	355.4	7.4	12.9	478.2
Additions	**3.5**	**9.2**	**14.0**	**3.6**	**30.3**
Disposals	**(1.9)**	**(10.2)**	**–**	**(0.4)**	**(12.5)**
Remeasurement	**–**	**–**	**–**	**–**	**–**
Reclassified from intangibles	**–**	**–**	**0.4**	**–**	**0.4**
Transferred into use	**0.1**	**3.6**	**(3.7)**	**–**	**–**
At 30 March 2024	**104.2**	**358.0**	**18.1**	**16.1**	**496.4**
Accumulated depreciation and impairment					
At 3 April 2022	(45.2)	(229.0)	–	(5.0)	(279.2)
Depreciation charge	(2.6)	(15.7)	–	(1.6)	(19.9)
Disposals	0.5	8.6	–	1.3	10.4
Impairment charge	–	(3.6)	–	–	(3.6)
At 1 April 2023	**(47.3)**	**(239.7)**	**–**	**(5.3)**	**(292.3)**
Depreciation charge	**(2.6)**	**(15.0)**	**–**	**(1.9)**	**(19.5)**
Disposals	**1.8**	**9.8**	**–**	**0.4**	**12.0**
Impairment charge[1]	**(2.2)**	**(3.2)**	**(0.8)**	**–**	**(6.2)**
At 30 March 2024	**(50.3)**	**(248.1)**	**(0.8)**	**(6.8)**	**(306.0)**

Net book value					
At 1 April 2023	55.2	115.7	7.4	7.6	185.9
At 30 March 2024	**53.9**	**109.9**	**17.3**	**9.3**	**190.4**

1 Impairment of fixed assets in the current year includes £4.2m in relation to non trading items, £1.6m recognised in administration costs and £0.4m which was recognised in the prior year.

11. Property, plant and equipment continued

Included in the right of use assets are the following:

	Land and buildings £m	Plant, equipment & other £m	Total £m
Cost			
Balance at 3 April 2022	8.6	3.5	12.1
Additions	4.8	0.9	5.7
Disposals	(0.5)	(0.8)	(1.3)
Remeasurement	(3.6)	–	(3.6)
At 1 April 2023	**9.3**	**3.6**	**12.9**
Additions	**0.3**	**3.3**	**3.6**
Disposals	**–**	**(0.4)**	**(0.4)**
At 30 March 2024	**9.6**	**6.5**	**16.1**
Accumulated depreciation and impairment			
At 3 April 2022	(3.3)	(1.7)	(5.0)
Depreciation charge	(0.7)	(0.9)	(1.6)
Disposals	0.5	0.8	1.3
At 1 April 2023	**(3.5)**	**(1.8)**	**(5.3)**
Depreciation charge	(0.8)	(1.1)	(1.9)
Disposals	**–**	**0.4**	**0.4**
At 30 March 2024	**(4.3)**	**(2.5)**	**(6.8)**
Net book value			
At 1 April 2023	5.8	1.8	7.6
At 30 March 2024	**5.3**	**4.0**	**9.3**

The Group's borrowings are secured on the assets of the Group including property, plant and equipment.

12. Goodwill

	As at 30 March 2024 £m	As at 1 April 2023 £m
Carrying value		
At 2 April 2023/At April 2022	**680.3**	646.0
Acquisition of subsidiary (note 28)	**22.4**	34.3
At 30 March 2024/At 1 April 2023	**702.7**	680.3

Goodwill is allocated to the Group's Grocery CGU. Goodwill impairment testing is performed at the Grocery CGU level, which is the lowest level at which goodwill is allocated and monitored for internal reporting purposes.

Key assumptions

The key assumptions for calculating value in use are revenue growth, divisional contribution margin growth, long-term growth rate and discount rate.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment.

Cash flow assumptions

The cash flows and capital expenditure to maintain these used in the value in use calculation are post-tax cash flows based on the latest Board-approved budget for the first year and the latest Board-approved forecasts in respect of the following four years which include consideration of the impact on the Group of climate change and actions the Group are taking to reduce carbon emissions. The costs and capital expenditure to meet the Group's ESG targets, on page 35, are included in cashflows.

Two of the key assumptions when forecasting cash flows are revenue growth and divisional contribution margin. Revenue growth is forecast based on known or forecast customer sales initiatives, including, to the extent agreed, customer business plans or agreements for the next period, current and forecast new product development, promotional and marketing strategy, and specific category or geographical growth. External factors, including the consumer environment, are also taken into account in the more short-term forecasts. The compound revenue growth rate over the five-year forecast period is 3.2% (2022/23: 4.9% 5-year compound revenue growth rate).

Divisional contribution margin is forecast based on the projected mix of branded and non-branded sales, raw material input costs, purchasing initiatives, factory performance and efficiency plans and marketing and distribution costs. Management have modelled scenarios on volume elasticity due to inflationary pressures and the adverse impact on demand due to climate change and were within the range of Group's existing sensitivities as disclosed within the table below. Please also see viability and going concern analysis on pages 71 to 72 for further details on additional scenario analyses performed. The climate scenarios modelled reflect the risks deemed material through the 'TFCD' risk assessment see page 45 to 49.

Long term growth rate assumptions

For the purposes of impairment testing, the cash flows are extrapolated into perpetuity using growth assumptions relevant for the business sector. The growth rate applied of 1.12% (2022/23: 1.16%) is based on the average medium term GDP growth as the directors expect food consumption to follow GDP growth. This is not considered to be higher than the average long-term industry growth rate.

Discount rate assumptions

The discount rate applied to the cash flows is calculated using a post-tax rate based on the weighted average cost of capital ('WACC') which would be anticipated for a market participant in the Group.

The Group has considered the impact of the current economic climate in determining the appropriate discount rate to use in impairment testing. In the current period, the post-tax rate used to discount the forecast cash flows has been determined to be 8.26% (2022/23: 9.06%). On a pre-tax basis a discount rate of 10.64% (2022/23: 12.08%) would have been applied.

Sensitivity analysis

An illustration of the sensitivity to reasonably possible changes in key assumptions in the impairment test for the Grocery CGU is as follows:

	Reasonably possible change in assumption	Impact on value in use
Revenue growth	Increase/decrease by 3.0%	Increase/decrease by £407m/£477.2m
Divisional contribution margin	Increase/decrease by 2.0%	Increase/decrease by £234.9m
Long-term growth rate	Increase/decrease by 0.5%	Increase/decrease by £102.7m/£146.1m
Discount rate	Increase/decrease by 0.5%	Decrease/increase by £168.9m/£130.0m

Under each of the above sensitivities no individual scenarios would trigger an impairment for the Grocery CGU. Under a combination of reasonably possible scenarios and taking into account mitigating actions, no impairment would be triggered.

Goodwill impairment charge

There has been no goodwill impairment charge recognised in 2023/24 (2022/23: £nil).

13. Other intangible assets

	Software £m	Licences £m	Brands £m	Customer relationships £m	Assets under construction £m	Total £m
Cost						
At 3 April 2022	134.7	28.0	665.2	134.8	2.0	964.7
Additions	4.0	–	–	–	2.1	6.1
Acquisition of subsidiary	–	–	20.5	–	–	20.5
Reclassified to property, plant & equipment	–	–	–	–	(0.1)	(0.1)
Transferred into use	1.5	–	–	–	(1.5)	–
At 1 April 2023	**140.2**	**28.0**	**685.7**	**134.8**	**2.5**	**991.2**
Additions	**3.3**	**–**	**–**	**–**	**3.8**	**7.1**
Acquisition of subsidiary	**–**	**–**	**14.4**	**–**	**–**	**14.4**
Disposals	**(6.2)**	**–**	**–**	**–**	**–**	**(6.2)**
Reclassified to property, plant & equipment	**–**	**–**	**–**	**–**	**(0.4)**	**(0.4)**
Transferred into use	**1.8**	**–**	**–**	**–**	**(1.8)**	**–**
At 30 March 2024	**139.1**	**28.0**	**700.1**	**134.8**	**4.1**	**1,006.1**
Accumulated amortisation and impairment						
At 3 April 2022	(122.3)	(28.0)	(386.1)	(134.8)	–	(671.2)
Amortisation charge	(4.9)	–	(20.7)	–	–	(25.6)
At 1 April 2023	**(127.2)**	**(28.0)**	**(406.8)**	**(134.8)**	**–**	**(696.8)**
Disposals	**6.1**	**–**	**–**	**–**	**–**	**6.1**
Amortisation charge	**(4.9)**	**–**	**(20.9)**	**–**	**–**	**(25.8)**
At 30 March 2024	**(126.0)**	**(28.0)**	**(427.7)**	**(134.8)**	**–**	**(716.5)**
Net book value						
At 1 April 2023	13.0	–	278.9	–	2.5	294.4
At 30 March 2024	**13.1**	**–**	**272.4**	**–**	**4.1**	**289.6**

All amortisation is recognised within administrative costs.

Included in the assets under construction additions for the period are £1.5m (2022/23: £2.8m) relating to internal software development costs.

The Group's borrowings are secured on the assets of the Group including other intangible assets.

The material brands held on the balance sheet are as follows:

	Carrying value at 30 March 2024 £m	Estimated useful life remaining Years
Bisto	**77.5**	13
Oxo	**61.6**	22
Batchelors	**40.1**	12
Mr Kipling	**30.1**	13
The Spice Tailor	**18.4**	13
Sharwood's	**16.9**	13
Fuel10k	**14.0**	15

14. Retirement benefit schemes

Defined benefit schemes

The Group operates a number of defined benefit schemes under which current and former employees have built up an entitlement to pension benefits on their retirement. Although the Premier Foods Section, Premier Grocery Products Section and RHM Section identified below are no longer separate schemes following the merger in 2020, historically, Premier Foods companies' pension liabilities and ex-RHM companies' liabilities have been shown separately. These are as follows:

(a) The "Premier" Schemes, which comprise:

Premier Foods Pension Section of RHM Pension Scheme
Premier Grocery Products Pension Section of RHM Pension Scheme
Premier Grocery Products Ireland Pension Scheme ('PGPIPS')
Chivers 1987 Pension Scheme

(b) The "RHM" Pension Schemes, which comprise:

RHM Section of the RHM Pension Scheme
Premier Foods Ireland Pension Scheme

The Premier Foods Pension Scheme and Premier Grocery Products Pension Scheme were wound up following the merger of assets and liabilities on a segregated basis with the RHM Pension Scheme in June 2020. The RHM Pension Scheme operates as three sections, the RHM Section, Premier Foods Section and Premier Grocery Products Section.

On 6 March 2024 the Group announced that following the strong performance of the pensions schemes since the 2020 segregated merger, deficit contribution payments would be suspended from 1 April 2024. Subject to the results of the next triennial valuation due at 31 March 2025 for all three Sections of the RHM Pensions Scheme, the Group anticipates no further contributions to be payable after this date.

The exchange rates used to translate the overseas euro based schemes are £1.00 = €1.1587 (2022/23: £1.00 = €1.1582) for the average rate during the period, and £1.00 = €1.1699 (2022/23: £1.00 = €1.1377) for the closing position at period end.

All defined benefit schemes are held separately from the Company under Trusts. Trustees are appointed to operate the schemes in accordance with their respective governing documents and pensions law. The schemes meet the legal requirement for member nominated trustees' representation on the trustee boards. Trustee directors undertake regular training and development to ensure that they are equipped appropriately to carry out the role. In addition, each trustee board has appointed professional advisers to give them the specialist expertise they need to support them in the areas of investment, funding, legal, covenant and administration.

The trustee boards generally meet at least four times a year to conduct their business. To support these meetings certain aspects of the schemes' operation are delegated to give specialist focus (e.g. investment, administration and compliance) to committees for which further meetings are held as appropriate throughout the year. These committees regularly report to the full trustee boards.

The schemes invest through investment managers appointed by the trustees in a broad range of assets to support the security and funding of their pension obligations. Asset classes used include government bonds, private equity, absolute return products, swaps, infrastructure, illiquid credits and global credits.

The scheme assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group. The RHM Pension Scheme holds a security over the assets of the Group which ranks pari passu with the banks and bondholders in the event of insolvency, up to a cap.

The schemes incorporate a Liability Driven Investment (LDI) strategy to more closely match the assets with changes in value of liabilities. The RHM Pension Scheme uses assets including interest rate and inflation swaps, index linked bonds and infrastructure in its LDI strategy.

In setting the investment strategy, the primary concern for the trustee of the RHM Pension Scheme is to act in the best financial interests of all beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. This includes the risk that environmental, social and governance factors, including climate change, negatively impact the value of investments held if not understood and evaluated properly. The trustee considers this risk by taking advice from its investment advisors when choosing asset classes, selecting managers, and monitoring performance.

14. Retirement benefit schemes continued

From 1 October 2022, the trustee is required by regulation to:

- implement climate change governance measures and produce a Taskforce on Climate-related Financial Disclosures (TCFD) report containing associated disclosures; and
- publish its TCFD report on a publicly available website, accessible free of charge.

The trustee disclosed the scheme's first TCFD report as part of the 2023 year-end reporting cycle.

The main risks to which the Group is exposed in relation to the funded pension schemes are as follows:

- Liquidity risk – the PF and PGP Sections of the RHM Pension Scheme have significant technical funding deficits which could increase. The RHM Section of the RHM Pension Scheme is currently in surplus, but subsequent valuations could reveal a deficit. As such this could have an adverse impact on the financial position of the Group. The Group continues to monitor the pension risks closely working with the trustees to ensure a collaborative approach.
- Mortality risk – the assumptions adopted make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the schemes and consequently increases in the schemes liabilities. The trustees review the mortality assumption on a regular basis to minimise the risk of using an inappropriate assumption.
- Yield risk – a fall in government bond yields will increase the schemes liabilities and certain of the assets. However, the liabilities may grow by more in monetary terms, thus increasing the deficit in the scheme.
- Inflation risk – the majority of the schemes liabilities increase in line with inflation and so if inflation is greater than expected, the liabilities will increase.
- Investment risk – the risk that investments do not perform in line with expectations.

The exposure to the yield and inflation risks described above can be hedged by investing in assets that move in the same direction as the liabilities in the event of a fall in yields, or a rise in inflation. The RHM Pension Scheme as a whole has largely hedged inflation and interest rate exposure to the extent of its funding level.

The liabilities of the schemes are approximately 35.0% in respect of former active members who have yet to retire and approximately 65.0% in respect of pensioner members already in receipt of benefits.

The average duration of the sectionalised pension liabilities in the RHM Pension Scheme is 13.0 years (12.8 years for the RHM Section; 13.9 years for the PF Section and 13.4 years for the PGP Section).

All pension schemes are closed to future accrual.

At the balance sheet date, the combined principal accounting valuation assumptions were as follows:

	At 30 March 2024		At 1 April 2023	
	Premier Schemes	**RHM Schemes**	Premier Schemes	RHM Schemes
Discount rate	**4.80%**	**4.80%**	4.80%	4.80%
Inflation – RPI	**3.15%**	**3.15%**	3.30%	3.30%
Inflation – CPI	**2.75%**	**2.75%**	2.85%	2.85%
Future pension increases				
– RPI (min 0% and max 5%)	**2.90%**	**2.90%**	3.05%	3.05%
– CPI (min 3% and max 5%)	**3.55%**	**3.55%**	3.55%	3.55%

For the smaller overseas schemes, the discount rate used was 3.30% (2022/23: 3.65%) and future pension increases were 2.10% (2022/23: 2.45%).

At 30 March 2024 and 1 April 2023, the discount rate was derived based on a bond yield curve expanded to also include bonds rated AA by one credit agency (and which might for example be rated A or AAA by other agencies).

The Group continued to set RPI inflation in line with the market break-even expectations less an inflation risk premium. The inflation risk premium of 0.3% (2022/23: 0.3%), reflects an allowance for additional market distortions caused by the RPI reform proposals.

The Group has set the CPI assumption by assuming it is 0.9% p.a. lower than RPI pre 2030 (2022/23: 1.0% lower pre 2030), reflecting UKSA's stated intention to make no changes before 2030, and 0.1% lower than RPI post 2030 (2022/23: 0.1% lower post 2030), this being our expectation of the long-term average difference between CPI and CPI-H. Using this approach, the assumed difference between the RPI and CPI is an average of 0.40% (2022/23: 0.45%) per annum.

The assumptions take into account the timing of the expected future cashflows from the pension schemes.

The RHM scheme invests directly in interest rate and inflation swaps to protect from fluctuations in interest rates and inflation.

The mortality assumptions are based on the latest standard mortality tables at the reporting date. The directors have considered the impact of the recent Covid-19 pandemic on the mortality assumptions and consider that use of the updated Continuous Mortality Improvement (CMI) 2022 projections for the future improvement assumption a reasonable approach.

The life expectancy assumptions are as follows:

	At 30 March 2024		At 1 April 2023	
	Premier Schemes	**RHM Schemes**	Premier Schemes	RHM Schemes
Male pensioner, currently aged 65	**86.3**	**84.6**	86.5	84.7
Female pensioner, currently aged 65	**88.1**	**87.0**	88.2	87.1
Male non-pensioner, currently aged 45	**87.2**	**85.8**	87.4	86.0
Female non-pensioner, currently aged 45	**89.5**	**88.8**	89.7	89.0

A sensitivity analysis on the principal assumptions used to measure the scheme liabilities at the period end is as follows:

	Change in assumption	**Impact on scheme liabilities**
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £38.4m/£39.0m
Inflation	Increase/decrease by 0.1%	Increase/decrease by £16.8m/£16.8m
Assumed life expectancy at age 60 (rate of mortality)	Increase/decrease by 1 year	Increase/decrease by £109.6m/£118.4m

The sensitivity information has been derived using projected cash flows for the Schemes valued using the relevant assumptions and membership profile as at 30 March 2024. Extrapolation of these results beyond the sensitivity figures shown may not be appropriate.

14. Retirement benefit schemes continued

	Premier Schemes £m	% of total %	RHM Schemes £m	% of total %	Total £m	% of total %
Assets with a quoted price in an active market at 30 March 2024:						
Government bonds	**276.5**	**51.8**	**958.9**	**31.7**	**1,235.4**	**34.6**
Cash	**9.7**	**1.8**	**31.6**	**1.0**	**41.3**	**1.2**
Assets without a quoted price in an active market at 1 April 2024:						
UK equities	**–**	**–**	**–**	**–**	**–**	**–**
Global equities	**–**	**–**	**2.1**	**0.1**	**2.1**	**0.1**
Government bonds	**29.8**	**5.6**	**4.3**	**0.1**	**34.1**	**1.0**
Corporate bonds	**7.4**	**1.4**	**4.0**	**0.1**	**11.4**	**0.3**
Global Property	**72.3**	**13.5**	**376.3**	**12.4**	**448.6**	**12.5**
Absolute return products	**5.3**	**1.0**	**239.3**	**7.9**	**244.6**	**6.9**
Infrastructure funds	**22.7**	**4.3**	**355.8**	**11.7**	**378.5**	**10.5**
Interest rate swaps	**–**	**–**	**241.6**	**8.0**	**241.6**	**6.8**
Inflation swaps	**–**	**–**	**24.0**	**0.8**	**24.0**	**0.7**
Private equity	**39.2**	**7.4**	**326.3**	**10.8**	**365.5**	**10.3**
LDI	**–**	**–**	**7.2**	**0.2**	**7.2**	**0.2**
Global credit	**3.2**	**0.6**	**178.0**	**5.9**	**181.2**	**5.1**
Illiquid credit	**61.7**	**11.6**	**201.6**	**6.6**	**263.3**	**7.4**
Cash	**3.6**	**0.7**	**0.6**	**–**	**4.2**	**0.1**
Other	**1.6**	**0.3**	**80.4**	**2.7**	**82.0**	**2.3**
Fair value of scheme assets as at 30 March 2024	**533.0**	**100%**	**3,032.0**	**100%**	**3,565.0**	**100%**
Assets with a quoted price in an active market at 1 April 2023:						
Government bonds	197.8	35.8	815.1	25.2	1,012.9	26.7
Cash	8.2	1.5	59.1	1.8	67.3	1.8
Assets without a quoted price in an active market at 2 April 2022:						
UK equities	0.1	0.0	–	–	0.1	0.0
Global equities	2.3	0.4	4.6	0.1	6.9	0.2
Government bonds	30.5	5.5	2.1	0.1	32.6	0.9
Corporate bonds	7.4	1.4	4.9	0.2	12.3	0.3
Global Property	113.4	20.5	418.6	12.9	532.0	14.0
Absolute return products	6.8	1.2	426.6	13.2	433.4	11.4
Infrastructure funds	27.4	5	342.5	10.6	369.9	9.8
Interest rate swaps	–	–	286.6	8.8	286.6	7.6
Inflation swaps	–	–	43.4	1.3	43.4	1.1
Private equity	48.8	8.8	310.8	9.6	359.6	9.5
LDI	–	–	7.1	0.2	7.1	0.2
Global credit	4.3	0.8	205.9	6.4	210.2	5.5
Illiquid credit	101.4	18.3	227.5	7.00	328.9	8.7
Cash	0.5	0.1	0.1	0.0	0.6	0.0
Other	3.7	0.7	85.3	2.6	89.0	2.3
Fair value of scheme assets as at 2 April 2022	552.6	100%	3,240.2	100%	3,792.8	100%

For assets without a quoted price in an active market fair value is determined with reference to net asset value statements provided by third parties.

Pension assets have been reported using 30 March 2024 valuations where available. As is usual practice for pensions assets where valuations at this date were not available, the most recent valuations (predominantly at 31 December 2023) have been rolled forward for cash movements to 30 March 2024 and recognised as lagged valuations. This is considered by management the most appropriate estimate of valuations for these assets using the information available at the time. At 30 March 2024 the financial statements include £363.8m of assets (2022/23: £371.0m) using lagged valuations and were these lagged valuations to move by 1.0% there would be a £3.6m (2022/23: £3.7m) impact on the fair value of scheme assets. This approach is principally relevant for Private Equity, Property Assets, Illiquid Credits and Global Credits asset categories. Pension assets valuations are subject to estimation uncertainty due to market volatility, which could result in a material movement in asset values over the next 12 months. The amounts recognised in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes are as follows:

	Premier schemes £m	RHM schemes £m	Total £m
At 30 March 2024			
Present value of defined benefit obligation	**(730.7)**	**(2,232.8)**	**(2,963.5)**
Fair value of plan assets	**533.0**	**3,032.0**	**3,565.0**
(Deficit)/surplus in schemes	**(197.7)**	**799.2**	**601.5**
At 1 April 2023			
Present value of defined benefit obligation	(735.4)	(2,291.9)	(3,027.3)
Fair value of plan assets	552.6	3,240.2	3,792.8
(Deficit)/surplus in schemes	(182.8)	948.3	765.5

The aggregate surplus of £765.5m has decreased to a surplus of £601.5m in the current period. This decrease of £164.0m (2022/23: £179.4m decrease) is primarily due to a lower return on scheme assets. Further details are provided later in this note.

The disclosures in note 14 represent those schemes that are associated with Premier ('Premier schemes') and those that are associated with ex-RHM companies ('RHM Schemes'). These differ to that disclosed on the balance sheet, in which the schemes have been split between those in an asset position and those in a liability position. The disclosures in note 14 reconcile to those disclosed on the balance sheet as shown below:

	At 30 March 2024			At 31 April 2023		
	Premier schemes £m	RHM schemes £m	Total £m	Premier schemes £m	RHM schemes £m	Total £m
Schemes in net asset position	**10.8**	**799.2**	**810.0**	11.8	948.3	960.1
Schemes in net liability position	**(208.5)**	**–**	**(208.5)**	(194.6)	–	(194.6)
Net (Deficit)/surplus in schemes	**(197.7)**	**799.2**	**601.5**	(182.8)	948.3	765.5

Changes in the present value of the defined benefit obligation were as follows:

	Premier schemes £m	RHM schemes £m	Total £m
Defined benefit obligation at 3 April 2022	(1,020.2)	(3,134.9)	(4,155.1)
Interest cost	(27.0)	(83.9)	(110.9)
Settlement	0.3	–	0.3
Remeasurement gain	271.9	787.3	1,059.2
Exchange differences	(1.6)	(1.1)	(2.7)
Benefits paid	41.2	140.7	181.9
Defined benefit obligation at 1 April 2023	**(735.4)**	**(2,291.9)**	**(3,027.3)**
Interest cost	**(33.9)**	**(105.8)**	**(139.7)**
Remeasurement (loss)/gain	**(1.9)**	**18.5**	**16.6**
Exchange differences	**0.9**	**0.5**	**1.4**
Benefits paid	**39.6**	**145.9**	**185.5**
Defined benefit obligation at 30 March 2024	**(730.7)**	**(2,232.8)**	**(2,963.5)**

14. Retirement benefit schemes continued

Changes in the fair value of plan assets were as follows:

	Premier schemes £m	RHM schemes £m	Total £m
Fair value of scheme assets at 3 April 2022	826.3	4,273.7	5,100.0
Interest income on scheme assets	22.1	115.1	137.2
Remeasurement losses	(295.7)	(1,009.1)	(1,304.8)
Administrative costs	(4.2)	(4.4)	(8.6)
Settlement	(0.3)	–	(0.3)
Contributions by employer	40.6	4.5	45.1
Additional employer contribution[1]	2.7	–	2.7
Exchange differences	2.3	1.1	3.4
Benefits paid	(41.2)	(140.7)	(181.9)
Fair value of scheme assets at 1 April 2023	**552.6**	**3,240.2**	**3,792.8**
Interest income on scheme assets	**25.9**	**151.0**	**176.9**
Remeasurement losses	**(40.5)**	**(213.8)**	**(254.3)**
Administrative costs	**(2.7)**	**(2.9)**	**(5.6)**
Contributions by employer	**34.8**	**3.9**	**38.7**
Additional employer contribution[1]	**3.8**	**–**	**3.8**
Exchange differences	**(1.3)**	**(0.5)**	**(1.8)**
Benefits paid	**(39.6)**	**(145.9)**	**(185.5)**
Fair value of plan assets at 30 March 2024	**533.0**	**3,032.0**	**3,565.0**

1 Contribution by the Group to the Premier Schemes due to the payment of dividends during the year.

The reconciliation of the net defined benefit (deficit)/surplus over the period is as follows:

	Premier schemes £m	RHM schemes £m	Total £m
(Deficit)/surplus in schemes at 3 April 2022	(193.9)	1,138.8	944.9
Amount recognised in profit or loss	(9.1)	26.8	17.7
Remeasurements recognised in other comprehensive income	(23.8)	(221.8)	(245.6)
Contributions by employer	40.6	4.5	45.1
Additional employer contribution[1]	2.7	–	2.7
Exchange differences recognised in other comprehensive income	0.7	–	0.7
(Deficit)/surplus in schemes at 1 April 2023	**(182.8)**	**948.3**	**765.5**
Amount recognised in profit or loss	**(10.7)**	**42.3**	**31.6**
Remeasurements recognised in other comprehensive income	**(42.4)**	**(195.3)**	**(237.7)**
Contributions by employer	**34.8**	**3.9**	**38.7**
Additional employer contribution[1]	**3.8**	**–**	**3.8**
Exchange differences recognised in other comprehensive income	**(0.4)**	**–**	**(0.4)**
(Deficit)/surplus in schemes at 30 March 2024	**(197.7)**	**799.2**	**601.5**

1 Contribution by the Group to the Premier Schemes due to the payment of dividends during the year.

Remeasurements recognised in the consolidated statement of comprehensive income are as follows:

	At 30 March 2024			At 1 April 2023		
	Premier Schemes £m	**RHM Schemes £m**	**Total £m**	Premier Schemes £m	RHM Schemes £m	Total £m
Remeasurement (loss)/gain on scheme liabilities	**(1.9)**	**18.5**	**16.6**	271.9	787.3	1,059.2
Remeasurement loss on scheme assets	**(40.5)**	**(213.8)**	**(254.3)**	(295.7)	(1,009.1)	(1,304.8)
Net remeasurement loss for the period	**(42.4)**	**(195.3)**	**(237.7)**	(23.8)	(221.8)	(245.6)

The actual return on scheme assets was a £77.4m loss (2022/23: £1,167.6m loss), which is £254.3m less (2022/23: £1,304.8m less) than the interest income on scheme assets of £176.9m (2022/23: £137.2m).

The remeasurement gain on liabilities of £16.6m (2022/23: £1,059.2m gain) comprises a gain due to changes in financial assumptions of £6.9m (2022/23: £1,089.8m gain), a loss due to member experience of £21.2m (2022/23: £69.7m loss) and a gain due to demographic assumptions of £30.9m (2022/23: £39.1m gain).

The Group expects to contribute £6.0m annually to its defined benefit schemes in relation to expenses and government levies up to 29 March 2025. An agreement has been reached with the RHM Pension Scheme Trustee to suspend deficit contributions payments from 1 April 2024, as a result of this agreement the Group will enter into a Letter of Credit in favour of the Scheme, equal to the suspended deficit contributions.

The Group has concluded that it has an unconditional right to a refund of any surplus in the RHM Pension Scheme once the liabilities have been discharged and, that the trustees of the RHM Pension Scheme do not have the unilateral right to wind up the scheme, so the asset has not been restricted and no additional liability has been recognised.

The Group is aware of the Virgin Media court ruling on rule amendments to Defined Benefit schemes and that it may impact the obligation of the legacy Defined Benefit pension plans in the UK. However, the extent of the impact is uncertain, the case is being appealed and it is also possible that the government may intervene, using powers in the existing legislation. On this basis, the Group is waiting for the outcome of these before taking action.

The total amounts recognised in the consolidated statement of profit or loss are as follows:

	Premier schemes £m	**RHM schemes £m**	**Total £m**
Period ended 30 March 2024			
Operating profit			
Administrative costs	**(2.7)**	**(2.9)**	**(5.6)**
Net interest (cost)/credit	**(8.0)**	**45.2**	**37.2**
Total (cost)/credit	**(10.7)**	**42.3**	**31.6**
Period ended 1 April 2023			
Operating profit			
Administrative costs	(4.2)	(4.4)	(8.6)
Net interest (cost)/credit	(4.9)	31.2	26.3
Total (cost)/credit	(9.1)	26.8	17.7

Defined contribution schemes

A number of companies in the Group operate defined contribution schemes, including provisions to comply with auto enrolment requirements laid down by law. In addition, a number of schemes providing life assurance benefits only are operated. The total expense recognised in the statement of profit or loss of £10.2m (2022/23: £8.2m) represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

15. Inventories

	As at 30 March 2024 £m	As at 1 April 2023 £m
Raw materials	**18.5**	20.6
Work in progress	**3.5**	3.5
Finished goods and goods for resale	**76.9**	69.6
Total inventories	**98.9**	93.7

Stock write-offs in the period amounted to £5.2m. In the prior period, £7.6m was written off and primarily related to one-offs due to supply chain disruption and the closure of the Knighton site.

The borrowings of the Group are secured on the assets of the Group including inventories.

16. Trade and other receivables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Trade receivables	**83.0**	70.8
Trade receivables provided for	**(2.5)**	(2.9)
Net trade receivables	**80.5**	67.9
Prepayments	**17.6**	19.0
Corporation tax	**–**	0.6
Other tax and social security receivable	**13.9**	13.6
Other receivables	**3.7**	2.8
Total trade and other receivables	**115.7**	103.9

The borrowings of the Group are secured on the assets of the Group including trade and other receivables.

During the period, the Group continued to operate the trade receivable purchase arrangement. This is a non-recourse arrangement and therefore amounts are derecognised when sold. As at 30 March 2024, £29.2 million was drawn (2022/23: £28.7 million) under the non-recourse arrangement.

17. Notes to the cash flow statement

Reconciliation of profit before taxation to cash flows from operations

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Profit before taxation	**151.4**	112.4
Net finance cost	**26.3**	19.8
Operating profit	**177.7**	132.2
Depreciation of property, plant and equipment	**19.5**	19.9
Amortisation of intangible assets	**25.8**	25.6
Impairment of non-current assets[1]	**6.2**	3.6
Net (gain)/ loss on disposal of non-current assets	**(0.2)**	0.3
Fair value movements on foreign exchange and other derivative contracts	**1.1**	1.8
Net interest on pensions and administrative expenses	**(31.6)**	(17.7)
Equity settled employee incentive schemes	**4.4**	4.6
Increase in inventories	**(7.5)**	(12.4)
Increase in trade and other receivables	**(16.9)**	(1.9)
Increase in trade and other payables and provisions	**10.4**	0.1
Additional employer contribution[2]	**(3.8)**	(2.7)
Contribution to defined benefit pension schemes	**(38.7)**	(45.1)
Cash generated from operations	**146.4**	108.3

1 Impairment off non-current assets primarily relates to the closure of the Knighton and Charnwood sites.

2 Contribution by the Group to the Premier schemes due to the payment of dividends during the year.

Reconciliation of cash and cash equivalents to net borrowings

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April 2023 £m
Net inflow of cash and cash equivalents	**38.9**	9.1
Movement in lease liabilities	**1.1**	2.8
Debt issuance costs in the period	**0.5**	0.7
Other non-cash movements	**(1.8)**	(1.9)
Decrease in borrowings net of cash	**38.7**	10.7
Total net borrowings at beginning of period	**(274.3)**	(285.0)
Total net borrowings at end of period	**(235.6)**	(274.3)

Analysis of movement in borrowings

	As at 2 April 2023 £m	Cash flows £m	Non-cash interest expense £m	Other non-cash movements £m	As at 30 March 2024 £m
Bank overdrafts	(1.0)	1.0	–	–	**–**
Cash and bank deposits	64.4	37.9	–	–	**102.3**
Net cash and cash equivalents	63.4	38.9	–	–	**102.3**
Borrowings – Senior Secured Fixed Rate Notes maturing October 2026	(330.0)	–	–	–	**(330.0)**
Lease liabilities	(13.3)	2.6	(0.8)	(0.7)	**(12.2)**
Gross borrowings net of cash[1]	(279.9)	41.5	(0.8)	(0.7)	**(239.9)**
Debt issuance costs[2]	5.6	0.5	(1.8)	–	**4.3**
Total net borrowings[1]	(274.3)	42.0	(2.6)	(0.7)	**(235.6)**
Total net borrowings excluding lease liabilities[1]	(261.0)	39.4	(1.8)	–	**(223.4)**

1 Borrowings exclude derivative financial instruments.

2 The non-cash movement in debt issuance costs relates to the amortisation of capitalised borrowing costs only.

Cash outflows of £2.6m (2022/23: £2.9m) in relation to repayments of lease liabilities have been included in the consolidated statement of cash flows, including £0.8m included in interest paid within cash flows from operating activities.

The Group has the following cash pooling arrangements in sterling, euros and US dollars, where both the Group and the bank have a legal right of offset.

	As at 30 March 2024			As at 1 April 2023		
	Offset asset	**Offset liability**	**Net offset asset**	Offset asset	Offset liability	Net offset liability
Cash, cash equivalents and bank overdrafts	**16.0**	**(12.5)**	**3.5**	12.6	(13.6)	(1.0)

18. Trade and other payables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Trade payables	**(141.6)**	(141.1)
Commercial accruals	**(74.3)**	(67.5)
Tax and social security payables	**(8.8)**	(7.1)
Other payables and accruals	**(39.9)**	(39.7)
Total trade and other payables	**(264.6)**	(255.4)

19. Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (arising from adverse movements in foreign currency, commodity prices and interest rates), credit risk and liquidity risk. The Group uses a variety of derivative financial instruments to manage certain of these risks. The management of these risks, along with the day-to-day management of treasury activities is performed by the Treasury function. The policy framework governing the management of these risks is defined by the Board. The framework for management of these risks is incorporated into a policies and procedures manual.

The Group also enters into contracts with suppliers for its principal raw material requirements, some of which are considered commodities, diesel and energy. These commodity and energy contracts are part of the Group's normal purchasing activities. Some of the risk relating to diesel is mitigated with the use of derivative financial instruments. The Price Risk Management Committee monitors and reviews the Group's foreign currency exchange, commodity price and energy price exposures and recommends appropriate hedging strategies for each.

19.1 Market risk

(i) Foreign exchange risk

The Group's main operating entities' functional currency and the Group's presentational currency is sterling although some transactions are executed in non-sterling currencies, principally the euro. The transactional amounts realised or settled are therefore subject to the effect of movements in these currencies against sterling. Management of these exposures is centralised and managed by the Treasury function. It is the Group's policy to manage the exposures arising using forward foreign currency exchange contracts and currency options. Hedge accounting is not sought for these transactions.

The Group generates some of its profits in non-sterling currencies and has assets in non-sterling jurisdictions, principally the euro.

The principal foreign currency affecting the translation of subsidiary undertakings within the Group financial statements is the euro. The rates applicable are as follows:

Principal rate of exchange: euro/sterling	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023
Period ended	**1.1699**	1.1377
Average	**1.1587**	1.1582

The majority of the Group's assets and liabilities are denominated in the functional currency of the relevant subsidiary.

The table below shows the Group's currency exposures as at 30 March 2024 and 1 April 2023 that gave rise to net currency gains and losses recognised in the consolidated statement of profit or loss as a result of monetary assets and liabilities that are not denominated in the functional currency of the subsidiaries involved.

Functional currency of subsidiaries – Sterling

	As at 30 March 2024 £m	As at 1 April 2023 £m
Net foreign currency monetary assets:		
– Euro	**(4.4)**	(5.3)
– US dollar	**1.7**	1.3
– Other	**7.5**	(0.2)
Total	**4.8**	(4.2)

In addition, the Group also has forward foreign currency exchange contracts outstanding at the period end in order to manage the exposures above but also to hedge future transactions in foreign currencies. The sterling nominal amounts outstanding are as follows:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Euro	**(54.9)**	(38.7)
Australian dollar	**–**	1.6
Indian rupee	**(4.7)**	(7.0)
Total	**(59.6)**	(44.1)

Sensitivities are disclosed below using the following reasonably possible scenarios:

If the euro were to weaken against sterling by 10 euro cents, with all other variables held constant, profit after tax would decrease by £3.4m (2022/23: £2.6m decrease).

If the euro were to strengthen against sterling by 10 euro cents, with all other variables held constant, profit after tax would increase by £4.1m (2022/23: £3.0m increase).

(ii) Commodity price risk

The Group purchases a variety of commodities for use in production and distribution which can experience significant price volatility, which include, inter-alia, dairy, wheat, cocoa, edible oils and energy. The price risk including inflation on these commodities is managed closely by the Group through the Price Risk Management Committee. It is the Group's policy to minimise its exposure to this volatility by adopting an appropriate forward purchase strategy or by the use of derivative instruments where they are available.

(iii) Interest rate risk

The Group's borrowing facilities comprise senior secured notes and a revolving facility, in sterling. Interest on the revolving facility is charged at floating rates plus a margin on the amounts drawn down, and at 35% of the applicable margin for the non-utilised portion of the facility, hence the borrowings are sensitive to changes in interest rates.

Cash and deposits earn interest at floating rates based on banks' short-term treasury deposit rates. Short-term trade and other receivables are interest-free.

The Group's other financial assets and liabilities are not exposed to material interest rate risk.

19.2 Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

Cash and cash equivalents are deposited with high-credit quality financial institutions and although a significant amount of sales is to a relatively small number of customers these are generally the major grocery retailers whose credit risk is considered low.

The ageing of trade and other receivables was as follows:

		Past due					
At 30 March 2024	**Fully performing £m**	**1-30 days £m**	**31-60 days £m**	**61-90 days £m**	**91-120 days £m**	**120+ days £m**	**Total £m**
Trade and other receivables							
Expected loss rate	**2.2%**	**3.6%**	**14.0%**	**16.0%**	**11.1%**	**13.6%**	**2.9%**
Gross carrying amount trade and other receivables	**76.6**	**6.0**	**0.1**	**0.7**	**0.6**	**2.7**	**86.7**
Loss allowance	**(1.7)**	**(0.2)**	**(0.0)**	**(0.1)**	**(0.1)**	**(0.4)**	**(2.5)**
At 1 April 2023							
Trade and other receivables							
Expected loss rate	3.2%	1.8%	7.0%	15.2%	19.1%	57.8%	3.9%
Gross carrying amount trade and other receivables	54.1	13.7	3.3	1.3	0.6	0.6	73.6
Loss allowance	(1.7)	(0.2)	(0.2)	(0.2)	(0.1)	(0.4)	(2.9)

The total loss allowance includes provisions in relation to receivables from customers which are considered at risk of experiencing difficult economic situations in the current environment.

The Group does not hold any collateral as security against its financial assets.

Movements in the provision for impairment of trade receivables are as follows:

	£m	£m
As at 2 April 2023/3 April 2022	**2.9**	2.6
Receivables written off during the period as uncollectable	**–**	(0.2)
Provision for receivables impairment raised/(released)	**(0.4)**	0.5
As at 30 March 2024/1 April 2023	**2.5**	2.9

19. Financial instruments continued

19.3 Liquidity risk

The Group manages liquidity risk through the Treasury function. Cash flow forecasts are prepared and reviewed on a weekly basis, normally covering a period of three months.

In addition, cash flow forecasts are prepared as part of the Group's overall budgeting and forecasting processes and performance is monitored against this each month. This is intended to give the Board sufficient forward visibility of debt levels.

The Group's Net debt level can vary from month to month and there is some volatility within months. This reflects seasonal trading patterns, timing of receipts from customers and payments to suppliers, patterns of inventory holdings and the timing of the spend on major capital and restructuring projects. For these reasons the debt levels at the period end date may not be indicative of debt levels at other points throughout the period.

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the contractual undiscounted cash flows.

	Within 1 year £m	1 and 2 years £m	2 and 3 years £m	3 and 4 years £m	4 and 5 years £m	Over 5 years £m	Total £m
At 30 March 2024							
Trade and other payables	**(255.8)**	**–**	**–**	**–**	**–**	**–**	**(255.8)**
Senior secured notes – fixed	**(11.6)**	**(11.6)**	**(341.6)**	**–**	**–**	**–**	**(364.8)**
Lease liabilities	**(2.9)**	**(2.5)**	**(1.9)**	**(1.5)**	**(1.5)**	**(8.9)**	**(19.2)**
At 1 April 2023							
Trade and other payables	(248.3)	–	–	–	–	–	(248.3)
Senior secured notes – fixed	(11.6)	(11.6)	(11.6)	(336.7)	–	–	(371.5)
Lease liabilities	(2.6)	(2.6)	(2.2)	(1.5)	(1.4)	(6.2)	(16.5)

The secured senior credit facility (revolving) is priced to SONIA, other liabilities are not re-priced before the maturity date.

At 30 March 2024, the Group had £182.0m (2022/23: £182.0m) of facilities not drawn, expiring between two to three years (2022/23: two to three years).

The borrowings are secured by a fixed and floating charge over all the assets of the Group.

The following table analyses the contractual undiscounted cash flows of interest on the fixed rate debt to maturity.

	Within 1 year £m	1 and 2 years £m	2 and 3 years £m	3 and 4 years £m	4 and 5 years £m	Over 5 years £m	Total £m
At 30 March 2024	**11.6**	**11.6**	**11.6**	**–**	**–**	**–**	**34.8**
At 1 April 2023	11.6	11.6	11.6	6.7	–	–	41.5

The following table analyses the Group's derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the undiscounted cash flows.

	Within 1 year £m	1 and 2 years £m	2 and 3 years £m	3 and 4 years £m	4 and 5 years £m	Over 5 years £m	Total £m
At 30 March 2024							
Forward foreign exchange contracts:							
– Outflow	**(59.5)**	**–**	**–**	**–**	**–**	**–**	**(59.5)**
– Inflow	**58.5**	**–**	**–**	**–**	**–**	**–**	**58.5**
Commodities:							
– Inflow	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total derivative financial instruments	**(1.0)**	**–**	**–**	**–**	**–**	**–**	**(1.0)**
At 1 April 2023							
Forward foreign exchange contracts:							
– Outflow	(79.9)	–	–	–	–	–	(79.9)
– Inflow	80.0	–	–	–	–	–	80.0
Commodities:							
– Inflow	0.1	–	–	–	–	–	0.1
Total derivative financial instruments	0.2	–	–	–	–	–	0.2

19.4 Fair value

The following table shows the carrying amounts (which approximate to fair value except as noted below) of the Group's financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Set out below is a summary of methods and assumptions used to value each category of financial instrument.

	As at 30 March 2024		As at 1 April 2023	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Financial assets at amortised cost:				
Cash and cash equivalents[1]	**102.3**	**102.3**	64.4	64.4
Trade and other receivables	**72.7**	**72.7**	63.7	63.7
Financial assets at fair value through profit or loss:				
Trade and other receivables	**7.8**	**7.8**	4.2	4.2
Derivative financial instruments				
– Forward foreign currency exchange contracts	**–**	**–**	0.7	0.7
– Commodity and energy derivatives	**–**	**–**	0.1	0.1
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments				
– Forward foreign currency exchange contracts	**(0.8)**	**(0.8)**	(0.5)	(0.5)
– Commodity and energy derivatives	**–**	**–**	–	–
Other financial liabilities at fair value through profit or loss:				
- Deferred contingent consideration (note 22)	**(19.1)**	**(19.1)**	(8.2)	(8.2)
Financial liabilities at amortised cost:				
Trade and other payables	**(255.8)**	**(255.8)**	(248.3)	(248.3)
Senior secured notes	**(330.0)**	**(315.0)**	(330.0)	(297.8)
Bank overdrafts	**–**	**–**	(1.0)	(1.0)

[1] Re-presented to include cash and cash equivalents at amortised cost

Notes to the consolidated financial statements continued

19. Financial instruments continued

The following table presents the Group's assets and liabilities that are measured at fair value using the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	As at 30 March 2024			As at 1 April 2023		
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets at fair value through profit or loss:						
Trade and other receivables	**–**	**4.9**	**2.9**	–	1.8	2.4
Derivative financial instruments						
– Forward foreign currency exchange contracts	**–**	**–**	**–**	0.0	0.7	0.0
– Commodity and energy derivatives	**–**	**–**	**–**	0.0	0.1	0.0
Financial liabilities at fair value through profit or loss:						
Derivative financial instruments						
– Forward foreign currency exchange contracts	**–**	**(0.8)**	**–**	0.0	(0.5)	0.0
Other financial liabilities at fair value through profit or loss:						
– Deferred contingent consideration (note 22)	**–**	**–**	**(19.1)**	–	0.0	(8.2)
Financial liabilities at amortised cost:						
Senior secured notes	**(315.0)**	**–**	**–**	(297.8)	–	–

Fair value estimation

Derivatives

Forward exchange contracts are marked to market using prevailing market prices. Hedge accounting has not been applied to forward contracts and as a result the movement in the fair value of £1.0m has been debited to the statement of profit or loss in the period (2022/23: £0.4m credit).

Commodity derivatives are marked to market using prevailing prices and are also not designated for hedge accounting. As a result, the fair value movement of £0.1m has been debited to the statement of profit or loss (2022/23: £2.2m debit).

Short and long-term borrowings, loan notes and interest payable

Fair value is calculated based on discounted expected future principal and interest rate cash flows.

Trade and other receivables/payables

The carrying value of receivables/payables with a remaining life of less than one year is deemed to reflect the fair value given their short maturity. The fair values of non-current receivables/payables are also considered to be the same as the carrying value due to the size and nature of the balances involved.

Deferred contingent consideration

During the period, the Group recognised other receivables with a fair value of £1.4m and deferred contingent consideration with a fair value of £6.6m as a result of the acquisition of FUEL10k. The fair values for both are based on unobservable inputs and are classified as a level 3 fair value estimate under the IFRS fair value hierarchy.

As a result of discount unwind and re-measurement, a debit of £4.3m was recognised in the statement of profit or loss under net finance cost.

19.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or sell assets to reduce debt.

The directors propose a final dividend of 1.728 pence per share for the period ended 30 March 2024 (2022/23: 1.44 pence).

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratios at the balance sheet date were as follows:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Total borrowings	**(337.9)**	(338.7)
Less cash and bank deposits	**102.3**	64.4
Net debt	**(235.6)**	(274.3)
Total equity	**(1,326.9)**	(1,406.0)
Total capital	**(1,562.5)**	(1,680.3)
Gearing ratio	**15%**	16%

Gearing is in line year-on-year.

Under the Group's financing arrangement, the Group is required to meet two covenant tests which are calculated and tested on a 12-month rolling basis at the half year and full year, each year. The Group has complied with these tests at 30 September 2023 and 30 March 2024.

19.6 Financial compliance risk

Risk

The Group operates with Net debt of £235.6m (2022/23: £274.3m) and is subject to operating within banking covenants set out in its refinancing agreement agreed with its banking syndicate, which include Net debt/EBITDA and EBITDA/interest covenant tests. In the event these covenants are not met then the Group would be in breach of its financing agreement and, as would be the case in any covenant breach, the banking syndicate could withdraw their funding to the Group. The banking covenants relate to the Group's revolving credit facility, which was undrawn at 30 March 2024 (2022/23: undrawn).

In addition to covenant compliance the Group must ensure that it manages its liquidity such that it has sufficient funds to meet its obligations as they fall due.

It also supports one defined benefit pension scheme in the UK, which consists of three sections of the RHM Pension Scheme. One of the three sections has significant technical funding deficits, which could have an adverse impact on the financial condition of the Group.

Mitigation

The Group has financing arrangements which provide funding until 2026.

The Group reviews its performance on an ongoing basis and formally tests and reports on covenant compliance to the Group's banking syndicate at each reporting date. In the event of a forecast covenant breach the Group would seek a covenant waiver or amendment from its banking syndicate.

The Group manages liquidity risk through the Treasury function. Cash flow forecasts are prepared and reviewed on a weekly basis, normally covering a period of three months. In addition, cash flow forecasts are prepared as part of the Group's overall budgeting and forecasting processes and performance is monitored against this each month.

The Group continues to monitor the pension risks closely, working with the trustee to ensure a collaborative approach.

20. Bank and other borrowing

	As at 30 March 2024 £m	As at 1 April 2023 £m
Current:		
Bank overdrafts	**–**	(1.0)
Lease liabilities	**(2.7)**	(2.1)
Total borrowings due within one year	**(2.7)**	(3.1)
Non-current:		
Transaction costs[1]	**4.3**	5.6
Senior secured notes	**(330.0)**	(330.0)
	(325.7)	(324.4)
Lease liabilities	**(9.5)**	(11.2)
Total borrowings due after more than one year	**(335.2)**	(335.6)
Total bank and other borrowings	**(337.9)**	(338.7)

1 Included in transaction costs is £1.6m (2022/23: £1.7m) relating to the revolving credit facility.

Secured senior credit facility – revolving

The RCF of £175m attracts a leverage-based margin of between 2.0% and 4.0% above SONIA. Banking covenants of net debt/EBITDA and EBITDA/interest are in place and are tested biannually.

The covenant package attached to the revolving credit facility is:

	Net debt/ EBITDA[1]	Net debt/ Interest[1]
2023/24 FY	3.50x	3.00x
2024/25 FY	3.50x	3.00x

1 Net debt, EBITDA and Interest are as defined under the revolving credit facility.

During the period, the Group extended the period of its revolving credit facility (RCF) by one year to May 2026.

Senior secured notes

The senior secured notes are listed on the Irish GEM Stock Exchange. The notes totalling £330m mature in October 2026 and attract an interest rate of 3.5%.

21. Provisions for liabilities and charges

	Property £m	Other £m	Total £m
3 April 2022	(7.9)	(2.7)	(10.6)
Utilised during the period	3.3	0.1	3.4
Additional charge in the period	(2.9)	(8.8)	(11.7)
Unwind of discount	1.1	–	1.1
Released during the period	0.2	0.2	0.4
Addition through business combination (note 28)	–	(2.5)	(2.5)
1 April 2023	**(6.2)**	**(13.7)**	**(19.9)**
Addition through business combination (note 28)	**–**	**(1.4)**	**(1.4)**
Utilised during the period	**0.8**	**6.3**	**7.1**
Additional charge in the period	**(1.6)**	**(3.7)**	**(5.3)**
Unwind of discount	**0.2**	**0.3**	**0.5**
Released during the period	**0.7**	**1.2**	**1.9**
30 March 2024	**(6.1)**	**(11.0)**	**(17.1)**

During the period, as a result of the acquisition of FUEL10k, the Group recognised provisions of £1.4m in relation to the fair value of contingent liabilities acquired as part of the business combination. See note 28 for further details.

Property provisions primarily relate to provisions for dilapidations against leasehold properties and environmental liabilities. These provisions have been discounted at rates between 3.92% and 4.10% (2022/23: 3.43% and 3.84%). The unwinding of the discount is charged or credited to the statement of profit or loss under net finance cost. Other provisions primarily relate to provisions for restructuring costs and legal matters.

The ageing of the provisions is below:

Ageing of total provisions:	As at 30 March 2024 £m	As at 1 April 2023 £m
Within one year	**(9.8)**	(13.3)
Between 2 and 5 years	**(5.6)**	(4.9)
After 5 years	**(1.7)**	(1.7)
Total	**(17.1)**	(19.9)

22. Other liabilities

	As at 30 March 2024 £m	As at 1 April 2023 £m
Deferred income	**(3.8)**	(4.7)
Deferred contingent consideration	**(19.1)**	(8.2)
Other liabilities	**(22.9)**	(12.9)

Deferred income relates to amounts received in relation to a previously disposed business.

23. Reserves and share capital

Share premium

The share premium reserve comprises the premium paid over the nominal value of shares for shares issued.

Merger reserve

The merger reserve comprises the non-statutory premium arising on shares issued as consideration for acquisition of subsidiaries where merger relief applies, less subsequent realised losses relating to those acquisitions.

Other reserves

Other reserves comprise the hedging reserve, which represents the effective portion of the gains or losses on derivative financial instruments that have historically been designated as hedges.

Retained earnings

Retained earnings represents the cumulative profit or loss and the own shares reserve which represents the cost of shares in Premier Foods plc, purchased in the market and held by the Employee Benefit Trust on behalf of the Company in order to satisfy options and awards under the Company's incentive schemes. 6,721,393 shares in Premier Foods plc were held by the Employee Benefit Trust at 30 March 2024, with a market value of £10.1m (2022/23: 4,511,923 shares with a market value of £5.5m).

Share capital

	Number of shares	Ordinary shares at nominal value (£0.10/share) £m	Share premium £m	Total £m
At 3 April 2022	862,785,277	86.3	1.5	87.8
Shares issued under share schemes	5,312,933	0.5	1.0	1.5
At 1 April 2023	**868,098,210**	**86.8**	**2.5**	**89.3**
Shares issued under share schemes	**697,605**	**0.1**	**0.2**	**0.3**
At 30 March 2024	**868,795,815**	**86.9**	**2.7**	**89.6**

23. Reserves and share capital continued

Share award schemes

The Company's share award schemes are summarised as follows:

1. A Long-Term Incentive Plan ('LTIP') for executive directors and senior managers, approved by shareholders in 2011 and a 10-year LTIP approved by shareholders in 2021. The LTIP is comprised of performance shares whereby participants have the right to subscribe for ordinary shares at nil cost. These awards are equity-settled and have a maximum term of three years. The vesting of the 2020, 2021 and 2022 Performance Share awards are conditional on achievement of a combination of absolute adjusted earnings per share targets and relative TSR targets. The targets for 2020 and 2021 were based 1/3 absolute adjusted earnings per share targets and 2/3 relative TSR targets. The targets for 2022 and 2023 were based ½ absolute adjusted earnings per share targets and ½ relative TSR targets. During the period the EPS and TSR elements of the 2020 LTIP vested in full. The EPS and TSR targets for the 2021 LTIP award have been achieved which will result in full vesting for both elements of the award. The June 2023 LTIP award TSR element was valued using a Monte Carlo pricing model, the weighted average fair value of the TSR awards was 80p. The key inputs into the Monte Carlo model were weighted average share price, weighted average exercise price, the expected volatility and the risk-free rate. The weighted average fair value for the 2023 EPS element was 125p.
2. A Restricted Stock Plan ('RSP') which provides specific ad hoc share awards to managers. Awards are normally subject only to continued employment and may be equity-settled or cash-settled and normally have a retention term of two to three years for senior management.
3. A Share Incentive Plan ('SIP') for all employees. An award of free shares was made to all employees in 2014 by the Company under this HMRC tax-advantaged plan. Free shares are held by a trustee for a minimum of three years. Subject to continuing employment, participants may elect to remove shares from the trust after this three-year holding period, however, there are tax and National Insurance advantages for the employee should the shares be left in the trust for over five years. No further awards under this plan are currently anticipated.
4. A Deferred Bonus Plan ('DBP'). One third of any annual bonus payment awarded to executive directors is made in the form of shares. These shares are awarded under the terms of the DBP which was approved by shareholders in July 2017. Awards will normally be made within six weeks following the announcement of the Group's full year results in the form of nil cost options. The awards will normally vest on the third anniversary of grant and, if awarded in the form of nil cost options, will then be exercisable up until the tenth anniversary of grant.

Details of the share awards during the period are as follows:

At 30 March 2024, the maximum number of shares which could be awarded under the Group's Long-Term Incentive Plan schemes was 18,159,343 (2022/23: 15,635,840), of which 9,861,749 (2022/23: 5,513,858) had vested and were exercisable at the end of the period. During the period, conditional share awards were granted for 3,666,034 (2022/23: 2,617,621) shares and rights to 334,524 (2022/23: 3,401,923) shares lapsed or were forfeited.

At 30 March 2024, the maximum number of shares which could be awarded under the Group's Restricted Stock Plan schemes was 195,307 (2022/23: 248,594), of which nil (2022/23: 1,500) had vested and were exercisable at the end of the period. During the period, no awards were granted (2022/23: no awards) and rights to 43,287 (2022/23: 10,313) shares lapsed or were forfeited.

At 30 March 2024, the number of shares outstanding under the Group's Share Incentive Plan was 313,586 (2022/23: 370,157), of which 313,856 (2022/23: 370,157) were exercisable at the end of the period. During the period, no awards (2022/23: no awards) were granted and rights to 44,000 (2022/23: 49,500) shares were exercised.

At 30 March 2024, the number of shares outstanding under the Group's Deferred Bonus Plan schemes was 982,341 (2022/23: 722,858), of which 172,543 (2022/23: 172,543) had vested and were exercisable at the end of the period. During the period, awards were granted for 259,483 (2022/23: 269,831) shares and rights to nil (2022/23: nil) shares were transferred or sold.

Share option schemes

The Company's share option schemes are summarised as follows:

A Savings Related Share Option Scheme ('Sharesave Plan') for all employees. The employees involved in this HMRC tax-advantaged save as you earn scheme have the right to subscribe for up to 17.1 million ordinary shares. The number of shares subject to options, the periods in which they were granted and the periods in which they may be exercised are given below. These options are equity-settled, have a maximum term of 3.5 years and generally vest only if employees remain in employment to the vesting date.

At 30 March 2024, the number of shares outstanding under the Group's Sharesave Plan was 9,443,747 with a weighted average exercise price at the date of exercise of 90p (2022/23: 10,948,349 shares, 76p), including 468,164 shares which had vested and were exercisable at the end of the period with a weighted average exercise price of 72p (2022/23: 644,584 shares, 29p). The options outstanding at the end of the period had a range of exercise prices from 72p to 104p (2022/23: 29p to 85p) and a weighted average life of 1.8 years (2022/23: 1.7 years).

During the period, options were granted under the Sharesave Plan for 3,294,340 shares with a weighted average exercise price at the date of exercise of 104p (2022/23: 3,296,113 shares, 85p). During the period options were exercised for 4,081,474 shares with a weighted average exercise price of 66p (2022/23: 5,312,933 shares, 30p) and options for 717,468 shares with a weighted average exercise price of 76p lapsed or were forfeited (2022/23: 791,807 shares, 67p).

The Group uses the Black-Scholes model to determine the fair value of share options at grant dates offered under the Sharesave plan. Fair values determined from the model use assumptions that are revised for each share-based payment arrangement.

The expected Premier Foods plc share price volatility was determined using an average for food producers as at the date of grant. Current dividend yield and risk-free rate determined from market yield curves for government gilts with outstanding terms equal to the average expected term to exercise for each relevant grant.

In 2023/24, the Group recognised an expense of £4.4m (2022/23: £4.6m), related to all equity-settled share-based payment transactions.

24. Dividends

The following dividends were declared and paid during the period:

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April w2023 £m
Ordinary final of 1.44 pence per ordinary share (2022/23: 1.2 pence)	**12.4**	10.3

After the balance sheet date, a final dividend for 2023/24 of 1.728 pence per qualifying ordinary share (2022/23: 1.44 pence) was proposed for approval at the Annual General Meeting on 18 July 2024 and will be payable on 26 July 2024. Dividend distributions are recognised as a liability in the period in which the dividends are approved by Group's shareholders.

25. Capital commitments

The Group has capital expenditure on property, plant and equipment contracted for at the end of the reporting period but not yet incurred at 30 March 2024 of £17.3m (2022/23: £8.9m).

26. Contingencies

There were no material contingent liabilities at 30 March 2024 (2022/23: none).

27. Related party transactions

The following transactions were carried out with related parties:

27.1 Key management compensation

Key management personnel of the Group are considered to be the executive and non-executive directors and the Executive Leadership Team. Details of their remuneration are set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited section of the Directors' Remuneration Report on pages 96 to 115.

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April w2023 £m
Short-term employee benefits	**6.8**	5.8
Share-based payments	**3.4**	3.9
Total	**10.2**	9.7

27.2 Other related parties

As at 30 March 2024 the following are also considered to be related parties under the Listing Rules and IAS 24 due to their shareholdings exceeding 10% of the Group's total issued share capital:

- Nissin Foods Holding Co., Ltd. ('Nissin') is considered to be a related party by virtue of its 24.84% (2022/23: 24.86%) equity shareholding in Premier Foods plc and its right to appoint a member to the Board of directors.

Transactions with related parties

	52 weeks ended 30 March 2024 £m	52 weeks ended 1 April w2023 £m
Sale of services:		
– Nissin	**0.2**	0.2
Total sales	**0.2**	0.2
Purchase of goods:		
– Nissin	**29.1**	26.1
Total purchases	**29.1**	26.1

	30 March 2024 £m	1 April 2023 £m
Trade receivables:		
– Nissin	**0.2**	–
Total receivables	**0.2**	–
Trade payables:		
– Nissin	**(3.6)**	(3.7)
Total payables	**(3.6)**	(3.7)

27.3 Retirement benefit obligations

As stated in note 14, the Group has entered into an arrangement with the Pension Scheme Trustees as part of the funding requirements for any actuarial deficit in the Scheme. Full details of this arrangement are set out in note 14 to these financial statements.

28. Acquisition of subsidiary

Acquisition of FUEL 10K Limited

On 29 October 2023, the Group acquired 100% of the ordinary share capital of FUEL 10K Limited ('*FUEL10K*') for initial consideration of £29.6m. A minimum further deferred consideration of £4.0m will be payable in 2026/27, with any increment to this dependent upon certain growth targets, and subject to a maximum cap of total consideration (comprising initial consideration and additional deferred consideration) of £55m. The acquisition provides an ideal platform to accelerate the Group's expansion into the Breakfast category, building on the recent successful launch of *Ambrosia* porridge pots and possessing a differentiated category position, with its protein enriched product range and appealing to a younger demographic.

The following table summarises the Group's provisional assessment of the consideration for *FUEL10K*, and the amounts of the assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed	IFRS book value at acquisition £m	Fair value adjustments £m	Fair value £m
Brands and other intangible assets	–	14.4	14.4
Deferred tax asset	–	1.5	1.5
Inventories	2.0	0.3	2.3
Trade and other receivables[1]	3.7	1.4	5.1
Cash and cash equivalents	0.3	–	0.3
Trade and other payables	(4.8)	–	(4.8)
Deferred tax liability	–	(3.6)	(3.6)
Provisions	–	(1.4)	(1.4)
Total identifiable net assets	**1.2**	**12.6**	**13.8**
Goodwill on acquisition			**22.4**
Initial consideration transferred in cash			29.6
Deferred contingent consideration			6.6
Total consideration			**36.2**

1 Fair value adjustment relates to the recognition of indemnification assets in relation to contingent liabilities acquired

Identifiable net assets

The fair values of the identifiable assets and liabilities acquired have been determined provisionally at the acquisition date. As permitted under IFRS 3 the Group may, within twelve months of the acquisition date, retrospectively adjust the provisional amounts recognised to reflect new information obtained about facts and circumstances that existed and, if known, would have affected the measurement of the amounts recognised as at the acquisition date.

As a result of the business combination, the Group recognised provisions of £1.4m in relation to the fair value of contingent liabilities acquired which relate primarily to future tax liabilities in line with IAS 37.

The fair value of the trade and other receivables acquired as part of the business combination was £5.1m. This includes an indemnification asset of £1.4m in relation to the contingent liabilities assumed, and trade receivables amounting to £3.7m which approximated to the contractual cash flows.

Consideration transferred

Consideration included cash of £29.6m transferred on completion of the acquisition. An additional £6.6m was recognised in relation to the fair value of deferred contingent consideration being a minimum payment of £4.0m payable in 2026/27 with an increment to this subject to growth targets dependent on future performance. The deferred contingent consideration is included within non-current other liabilities.

The fair value of deferred contingent consideration represents the present value of estimate payments measured at the time of acquisition based on the Group's estimate of future performance. The fair value is based on unobservable inputs and is a classified as a level 3 fair value estimate under the IFRS fair value hierarchy. See note 19 for further details.

Acquisition-related costs amounting to £1.8m are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of administrative expenses.

Goodwill

Goodwill amounting to £22.4m was recognised on acquisition and while *FUEL10K* brand forms much of the enterprise value of the business, there is a premium associated to the purchase of a pre-existing, well positioned business. This goodwill is not expected to be deductible for tax purposes and is allocated to the Group's Grocery CGU.

FUEL10K contribution to the Group results

From the date of the acquisition to 30 March 2024, *FUEL10K* contributed £8.1m to the Group's Revenues and a profit before taxation of £0.8m. Had the acquisition occurred on 2 April 2023, on a pro forma basis, the Group's Revenue for the period to 30 March 2024 would have been £1,149.1m and profit before taxation for the same period would have been £151.5m.

29. Investments

In accordance with Section 409 of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Ac and Reports) Regulations 2008, as amended by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, a full list of subsidiary undertakings, associate undertakings and joint operations (showing the country of incorporation, registered address and effective percentage of equity shares held) as at 30 March 2024 is disclosed below.

Company	% Held by the Company	% Held by Group companies, if different	Share Class	Country	Registered Address
Premier Foods Investments Limited	100%	100%	£1.00 Ordinary shares	England & Wales	Premier House Griffiths Way St Albans Hertfordshire AL1 2RE
Premier Foods Finance plc	0%	100%	£1.00 Ordinary shares		
Premier Foods Group Services Limited	0%	100%	£0.01 Ordinary shares		
Premier Foods Group Limited	0%	100%	£0.25 Ordinary shares		
Centura Foods Limited	0%	100%	£1.00 Ordinary shares		
Premier Foods (Holdings) Limited	0%	100%	£1.00 Ordinary shares		
H.L. Foods Limited	0%	100%	£1.00 Ordinary shares		
Hillsdown Europe Limited	0%	100%	£1.00 Ordinary shares		
Hillsdown International Limited	0%	100%	£1.00 Ordinary shares		
RHM Frozen Foods Limited	0%	100%	£1.00 Ordinary shares		
Knighton Foods Limited	0%	100%	£1.00 Ordinary shares		
Knighton Foods Properties Limited	0%	100%	£1.00 Ordinary shares		

Company	% Held by the Company	% Held by Group companies, if different	Share Class	Country	Registered Address
The Spice Tailor Limited	0%	100%	£0.001 Ordinary shares £0.001 B shares £0.001 C shares £0.001 D shares		Premier House Griffiths Way St Albans Hertfordshire AL1 2RE
The Spice Tailor (Direct) Limited	0%	100%	£0.01 Ordinary shares		
Vic Hallam Holdings Limited**	0%	100%	£0.25 Ordinary shares	England & Wales	
Hillsdown Holdings Pension Trustees Limited*	0%	100%	£1.00 redeemable		
Premier Foods Group Life Plan Trustees	0%	100%	cumulative preference		
Limited*	0%	100%	shares		
RHM Pension Trust Limited*	0%	100%	£1.00 Ordinary shares		
The Specialist Soup Company Limited**	0%	100%	£1.00 Ordinary shares		
James Robertson & Sons Limited**	0%	100%	£1.00 Ordinary shares		
PFF Old Co Limited**			£1.00 Ordinary shares £1.00 Ordinary shares £1.00 Ordinary shares		
PIFUK Old Co Limited	0%	100%	£1.00 Ordinary shares		
RH Old Co Limited*	0%	100%	£1.00 Ordinary shares		
Fuel 10k Limited	0%	100%	£0.00001 A Ordinary £0.00001 B Ordinary £0.00001 C Ordinary £0.00001 O Ordinary £0.00001 V18 £0.00001 V30		
Citadel Insurance Company Limited	0%	100%	£1.00 Ordinary Shares	Isle of Man	Ioma House Hope Street Douglas Isle of Man IM1 1AP

Company	% Held by the Company	% Held by Group companies, if different	Share Class	Country	Registered Address
Woolgate Nitrovit Limited**	0%	100%	£0.25 Ordinary shares	England & Wales	2 Woolgate Court St Benedicts Street Norwich Norfolk NR2 4AP
Diamond Foods Lebensmittelhandel GmbH	0%	100%	€0.5113 Ordinary shares	Germany	Gärtnerstraße 3, 25485 Hemdingen, Germany
Premier Brands Limited*	0%	100%	£1.00 Ordinary shares	Scotland	Summit House 4-5 Mitchell Street Edinburgh Scotland EH6 7BD
Beatties Northern Limited (SC018898)**	0%	100%	£1.00 Ordinary shares		
Premier Foods, Inc.	0%	100%	US$0.01 Common Stock shares	United States	The Corporation Trust Company Corporation Trust Centre 1209 Orange Street, Wilmington DE 19801, USA
Premier Foods ROI Limited	0%	100%	€1.00 Ordinary shares	Ireland	25-28 North Wall Quay Dublin 1 Ireland
Premier Foods Ireland Manufacturing Limited*	0%	100%	€1.26 Ordinary shares		
G P Woolgate Limited**	0%	100%	£1.00 Ordinary shares	England & Wales	PWC LLP, Benson House 33 Wellington Street, Leeds, LS1 4JP
The Spice Tailor (Australia) PTY Limited	0%	100%	AUD$1.00 Ordinary shares	NSW, Australia	Level 5, 461 Bourke Street, Melbourne 3000, Victoria, Australia
The Spice Tailor (Canada) Limited	0%	100%	Common Stock @ no par value	British Columbia Canada	1800-1631 Dickson Ave. (Landmark 6) Kelowna BC V1Y 0B5, Canada

*Dormant entities

**Restored companies

30. Subsequent events

On 16 May 2024, the directors have proposed a final dividend of 1.728 pence for the period ended 30 March 2024 for approval at the Annual General Meeting. See note 24 for more details.

Company balance sheet

Registered Number: 005160050

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
Non-current assets			
Investments in Group undertakings	4	**1,120.6**	1,117.8
Trade and other receivables	5	**28.5**	49.5
Deferred tax assets	6	**–**	1.5
		1,149.1	1,168.8
Current assets			
Trade and other receivables	5	**15.0**	12.5
Cash and cash equivalents		**0.2**	0.2
Total assets		**1,164.3**	1,181.5
Trade and other creditors	7	**(4.7)**	(3.1)
Net current assets		**10.5**	9.6
Total assets less current liabilities		**1,159.6**	1,178.4
Net assets		**1,159.6**	1,178.4
Equity			
Called up share capital	8	**86.9**	86.8
Share premium account		**2.7**	2.5
Retained earnings[1]		**1,070.0**	1,089.1
Total equity		**1,159.6**	1,178.4

1 The company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to publish its individual profit and loss account and related notes. During the period, the company made a loss of £4.1m (2022/23: £41.6m profit).

The notes on pages 178 to 181 form an integral part of the financial statements.

The financial statements on pages 176 to 181 were approved by the Board of directors on 16 May 2024 and signed on its behalf by:

Alex Whitehouse
Chief Executive Officer

Duncan Leggett
Chief Financial Officer

Company statement of changes in equity

	Called up share capital £m	Share premium account £m	Retained earnings £m	Total £m
At 3 April 2022	86.3	1.5	1,055.8	1,143.6
Profit for the period	–	–	41.6	41.6
Share-based payments	–	–	4.6	4.6
Purchase of shares to satisfy share awards	–	–	(2.5)	(2.5)
Shares issued	0.5	1.0	–	1.5
Dividends	–	–	(10.3)	(10.3)
Deferred tax movements on share-based payments	–	–	(0.1)	(0.1)
At 1 April 2023	**86.8**	**2.5**	**1,089.1**	**1,178.4**
At 2 April 2023	**86.8**	**2.5**	**1,089.1**	**1,178.4**
Loss for the period	**–**	**–**	**(4.1)**	**(4.1)**
Share-based payments	**–**	**–**	**4.4**	**4.4**
Purchase of shares to satisfy share awards	**–**	**–**	**(6.3)**	**(6.3)**
Shares issued	**0.1**	**0.2**	**–**	**0.3**
Dividends	**–**	**–**	**(12.4)**	**(12.4)**
Deferred tax movements on share-based payments	**–**	**–**	**(0.7)**	**(0.7)**
At 30 March 2024	**86.9**	**2.7**	**1,070.0**	**1,159.6**

The Company has considered the profits available for distribution to shareholders. At 30 March 2024, the Company had retained earnings of £1.1bn (2022/23: £1.1bn) of which the unrealised profit element was £0.5bn (2022/23: £0.5bn). The Company had profits available for distribution of £0.6bn (2022/23: £0.6bn) for the payment of dividends or purchases of own shares. Determining the Company's reserves available for distribution is complex and requires, in some instances, the application of judgement. The Company has determined what is realised and unrealised in accordance with the Companies Act 2006 and the guidance included in ICAEW Technical Release TECH 02/17BL 'Guidance on realised and distributable profits under the Companies Act 2006'. The Company's reserves available for distribution include adjustments to retained earnings in respect of the unrealised portion of dividends in specie received by the Company, profit on intercompany interest received from subsidiaries, post employment benefit surpluses and share-based payment charges capitalised to investments.

The notes on pages 178 to 181 form an integral part of the financial statements.

Notes to the company financial statements

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- Cash flow statements and related notes
- Presentation of comparative period reconciliations
- Share-based payments
- Financial instruments and capital management
- Standards not yet effective
- Disclosures in respect of compensation of key management personnel
- Certain disclosures regarding revenue
- Certain disclosures regarding leases

The loss for the period of £4.1m (2022/23: £41.6m profit) is recorded in the financial statements of Premier Foods plc. The prior year included dividend income of £45.0m receivable from group undertakings.

The Company has ensured that its assets and liabilities are measured in compliance with FRS 101. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. The key estimates and assumptions are set out in the accounting policies below, together with the related notes to the financial statements.

The directors consider that the accounting policies set out below are the most appropriate and have been consistently applied.

The Directors have determined that the preparation of the Company financial statements on a going concern basis is appropriate.

The Company is exempt as permitted under Financial Reporting Standard 101 from disclosing related party transactions with entities that are wholly owned subsidiaries of the Premier Foods plc Group.

Investments

Investments are stated at cost less any provision for impairment in their value.

Impairment of non-financial assets (including investments)

The carrying amounts of the Company's non-financial assets, including investments in subsidiaries, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss in the period in which they occur.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Share-based payments

The Company operates a number of equity-settled share-based compensation plans. The fair value of employee share option plans is calculated using an option valuation model, taking into account the terms and conditions upon which the awards were granted. In accordance with International Financial Reporting Standard 2, Share-Based Payment ('IFRS 2'), the resulting expense is charged to the profit and loss account over the vesting period of the options for employees employed by the Parent Company, or treated as an investment in subsidiaries in respect of employees employed by the subsidiaries where the expense is recharged. The value of the charge is adjusted to reflect expected and actual levels of options vesting.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards/options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of share awards/options that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of share awards/options that are expected to vest and recognises the impact of the revision to original estimates, if any, in profit and loss or investment in subsidiaries, with a corresponding adjustment to equity.

Dividends

Dividend distributions to shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the shareholders, and for interim dividends in the period in which they are paid. Dividend distributions are recognised as a liability in the period in which the dividends are approved by Company's shareholders.

2. Significant estimate

Investment in Group undertakings

Impairment reviews in respect of investments in Group undertakings are performed at least annually and more regularly if there is an indicator of impairment. The carrying amounts of the Company's non-financial assets, including investments in subsidiaries, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The key assumptions used in the impairment test which include long-term growth rates and discount rates are the same as that used for the Grocery CGU described further in note 12 of the consolidated financial statements.

3. Operating (loss)/profit

Details of the remuneration of the Company's auditors for the audit of the Company and Group financial statements are disclosed in Note 5.2 of the consolidated financial statements.

In 2023/24, the Company had two employees (2022/23: two). Directors' emolument disclosures are provided in the Single Figure Table on page 100 of this Annual Report.

4. Investments in Group undertakings

	£m	£m
Carrying amount at 2 April 2023/3 April 2022 [1]	**1,117.8**	1,114.8
Additions	**2.8**	3.0
Carrying amount at 30 March 2024/1 April 2023	**1,120.6**	1,117.8

[1] Re-presented to reflect historic disposals not previously derecognised.

In 2023/24 a capital contribution of £2.8m (2022/23: £3.0m) was given in the form of share incentive awards to employees of subsidiary companies which were reflected as an increase in investments.

Refer to note 29 of the consolidated financial statements for a full list of the undertakings.

Impairment testing for the period ended 30 March 2024 has identified that the value in use of the investment in Premier Foods Investments Limited of £2.3bn is sensitive to reasonably possible changes in assumptions as set out in the table below.

4. Investments in Group undertakings continued

The key assumptions used in the impairment test which include long-term growth rates and discount rates are the same as that used for the Grocery CGU described further in note 12 of the consolidated financial statements. An illustration of the reasonably possible changes in key assumptions in the impairment test for the investment in Premier Foods Investments Limited are as follows:

	Reasonably possible change in assumption	Impact on headroom
Revenue growth	Increase/decrease by 3.0%	Increase/decrease by £475.9m/£578.7m
Divisional contribution margin	Increase/decrease by 2.0%	Increase/decrease by £370.7m
Long-term growth rate	Increase/decrease by 0.5%	Increase/decrease by £142.3m/£199.7m
Discount rate	Increase/decrease by 0.5%	Decrease/increase by £231.0m/£179.7m

Under each of the above sensitivities no individual scenarios would trigger an impairment for the Group CGU. Under a combination of reasonably possible scenarios and taking into account mitigating actions, no impairment would be triggered.

5. Debtors

Amounts due after less than one year	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts owed by Group undertakings[1]	**15.0**	12.5
Total debtors	**15.0**	12.5

1 The receivables provided for 2023/24: £nil (2022/23: £nil).

The amounts owed by Group undertakings are repayable on demand, unsecured and interest free.

Amounts due after more than one year	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts owed by Group undertakings	**28.6**	49.6
Receivables provided for	**(0.1)**	(0.1)
Total debtors	**28.5**	49.5

The amounts owed by Group undertakings are repayable on demand, unsecured and interest free. However, there is no intent or expectation to settle within 12 months.

6. Deferred tax asset

	2023/24 £m	2022/23 £m
At 2 April 2023/3 April 2022	**1.5**	1.3
(Charged)/Credited to the statement of profit and loss	**(0.8)**	0.3
Charged to equity	**(0.7)**	(0.1)
At 30 March 2024/1 April 2023	**(0.0)**	1.5

The deferred tax asset relates to share-based payments.

7. Creditors: amounts falling due within one year

	As at 30 March 2024 £m	As at 1 April 2023 £m
Amounts owed to Group undertakings	**(3.7)**	(2.3)
Other payables	**(1.0)**	(0.8)
Total creditors	**(4.7)**	(3.1)

The amounts owed to Group undertakings are repayable on demand, unsecured and interest free.

The losses surrendered as Group Relief between UK members of the Group have been surrendered for no consideration.

8. Called up share capital and other reserves

a) Called up share capital

	As at 30 March 2024 £m	As at 1 April 2023 £m
Authorised, issued and fully paid		
868,795,815 (2022/23: 868,098,210) ordinary shares of 10 pence each	**86.9**	86.8

All of the ordinary shares rank equally with respect to voting rights and the rights to receive dividends and distributions on a winding up.

b) Share-based payments

The costs reflect the Company's share option schemes in operation. Further details are available in note 23 of the consolidated financial statements.

The charge relating to employees of the Company amounted to £1.6m (2022/23: £1.6m). Further details of these schemes can be found in the Directors' Remuneration Report on page 96 to 115.

9. Dividends

The following dividends were declared and paid during the period:

	52 weeks ended 1 April 2023 £m	52 weeks ended 2 April 2022 £m
Ordinary final of 1.44 pence per ordinary share (2022/23: 1.2 pence)	**12.4**	10.3

On 16 May 2024, the directors have proposed a final dividend of 1.728p per share for the period ended 30 March 2024 subject to the ratification at the AGM by the shareholders. Dividend distributions are recognised as a liability in the period in which the dividends are approved by Company's shareholders.

10. Subsequent events

On 16 May 2024, the directors have proposed a final dividend for the period ended 30 March 2024 for approval at the Annual General Meeting. See Note 9 for more details.

Enriching Life Plan disclosure tables

We will annually disclose information to demonstrate our progress against our Enriching Life Plan, and other key Environmental, Social and Governance measures.

All targets are for 2030 against a 2020 baseline, unless otherwise stated. Several of these measures are newly developed and will evolve with improvements in available data and information from suppliers and other parties. In some areas, information from prior years may be updated if better information, subsequently, becomes available and changes prior year disclosures by more than 5%, or where it makes a meaningful difference to the interpretation of performance. More information is available in the accompanying notes following the tables.

Independent assurance

PricewaterhouseCoopers LLP ('PwC') have performed an Independent Limited Assurance engagement on selected balances within the 2023/24 data, shown with the symbol A, in accordance with the International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. The Independent Limited Assurance Report can be found at https://www.premierfoods.co.uk/sustainability/our-progress/ESG-Disclosure-Assurance-Report-2023-24/accept. Our Methodology Statement – the basis on which the KPIs are calculated and on which the limited assurance is given – can be found at https://www.premierfoods.co.uk/sustainability/our-progress/Premier-Foods-reporting-criteria-for-specified-ESG-performance-metrics-2023-24.pdf.

Products

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022 /23	2023 /24
Make great tasting, healthier and more nutritious food					
More than double sales of products that meet high nutrition standards	Total company branded sales, in £m, of foods scoring less than 4 and drinks scoring less than 1 on the UK Department of Health's Nutrient Profiling Model	www.gov.uk/government/publications/thenutrient-profiling-model	320	335	397 A
More than 50% of our products will provide additional health or nutrition benefits	Proportion of products which meet the requirements for a regulated health or nutrition claim	Defined as products scoring less than 4 and drinks scoring less than 1 on the UK Department of Health's Nutrient Profiling Model that also qualify for a regulated health or nutritional claim. Calculated at a Stock Keeping Unit (SKU) level. https://www.gov.uk/government/publications/great-britain-nutrition-and-health-claims-nhc-register	38%	43%	44%
Support the nation's shift to plant based diets					
Grow sales of plant-based products to £250m. p.a.	Value of sales of plant based products	Total company branded sales. Plant based products are products made to a vegan recipe. They do not, by design, contain meat, dairy, eggs and other animal products, and all principal ingredients are plant based.	157	199	248
Each core category has plant based offering	Number of core categories with a plant based/meat or dairy free offering	Core categories are those strategic growth categories where our product ranges constitute at least 10% of the revenue of total category.	53% (8/15)	80% (12/15)	87% (13/15)

Products

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022 /23	2023 /24
Reduce the environmental impact of our packaging					
100% of packaging to be reusable, recyclable or compostable by 2025 [1]	Percentage of total packaging (by weight) which meets the On-Pack Recycling Labelling Scheme (OPRL) Recycled Categories	Primary, secondary and tertiary packaging which is recyclable either at kerbside, recycling points or front of store using latest OPRL definitions. Based on tonnage. https://www.oprl.org.uk/	94%	96%	96%
	Percentage of plastic packaging (by weight) which meets the On-Pack Recycling Labelling Scheme (OPRL) Recycled Categories	Percentage of plastic consumer packaging which is recyclable either at kerbside, recycling points or front of store using latest OPRL definitions. Based on tonnage.	70%	82%	86%
	Total weight of metal packaging (tonnes)	Tonnage of primary, secondary & tertiary packaging.	7,734	5,245	4,776
	Total weight of glass packaging (tonnes)	Tonnage of primary, secondary & tertiary packaging.	33,490	24,331	20,433
	Total weight of paper & card packaging (tonnes)	Tonnage of primary, secondary & tertiary packaging.	25,550	19,700	21,051
	Total weight of plastic packaging (tonnes)	Tonnage of primary, secondary & tertiary packaging.	9,251	7,531	7,689
	Total packaging weight (tonnes)	Tonnage of primary, secondary & tertiary packaging.	76,025	56,806	53,949
	Total recycled content (%)	Proportion of packaging materials which are made up of recycled material.		46%	45%

[1] Packaging data covers branded and own brand packaging from the prior calendar year to align with the UK Plastics Pact reporting requirements.

Enriching Life Plan disclosure tables continued

Planet

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022/23	2023/24
Take action on Climate Change					
Reduce Scope 1 and 2 emissions by 67% by 2030 and achieve net zero by 2040[2]	Scope 1 Greenhouse Gas Emissions (tCO_2e)		39,113	36,668	34,614 Ⓐ
	Scope 2 Greenhouse Gas Emissions – location-based (tCO_2e)		21,247	15,081	15,405 Ⓐ
	Scope 2 Greenhouse Gas Emissions – market-based (tCO_2e)		33,801	28,961	21,966 Ⓐ
	Total Scope 1 & Scope 2 Greenhouse Gas Emissions – location-based (tCO_2e)		60,359	51,749	50,019 Ⓐ
	Absolute reduction in Scope 1 & Scope 2 Emissions since 2020/21 – location-based (%)			14.3%	17.1%
	Total Scope 1 & Scope 2 Greenhouse Gas Emissions – market-based (tCO_2e)		72,913	65,629	56,580 Ⓐ
	Absolute reduction in Scope 1 & Scope 2 Emissions since 2020/21 – market-based (%)			10.0%	22.4%
	Overall Scope 1 & Scope 2 Intensity (tCO_2e per £m revenue) – location-based		64.6	51.4	44.6
	Overall Scope 1 & Scope 2 Intensity (tCO_2e per £m revenue) – market-based		78.0	65.2	50.4
	Total Energy Usage (MWh)	This is the energy consumption underlying the scope 1 Greenhouse Gas emissions and scope 2 Greenhouse Gas emissions – location based, using the same activity data (excluding fugitive emissions data).	286,883	259,555	247,118 Ⓐ
	Energy use ratio (MWh per £m revenue)		307.1	257.9	220.1
	Percentage of total energy usage that is grid electricity			30.0%	30.1%
	Percentage of total energy which comes from renewable sources	A combination of self generation, green tariffs and REGOs. Renewable sources include: solar, wind, hydro, biomass and geothermal. This is a new measure and not available for years before 2022/23.		4.7%	11.0%
	Percentage of total electricity which comes from renewable sources	A combination of self generation, green tariffs and REGOs. Renewable sources include: solar, wind, hydro, biomass and geothermal. This is a new measure and not available for years before 2022/23.		15.7%	36.4%

Planet

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022 /23	2023 /24
Take action on Climate Change (continued)					
Reduce scope 3 emissions by 25% by 2030 and target net zero by 2050	Total Scope 3 emissions (tCO_2e)[3]	Reported using the GHG Protocol. https://ghgprotocol.org/	918,926	905,495	755,944
	Purchased goods and services (tCO_2e)			807,319	622,319
	Upstream transport and distribution (tCO_2e)			34,960	34,737
	Downstream transport and distribution (tCO_2e)			6,930	38,379
	Other relevant scope 3 emissions (tCO_2e)[3]			56,286	60,509
	Carbon Disclosure Project (CDP) Climate Change Benchmark	https://www.cdp.net/en	F	C	C
Protect our natural resources					
Deforestation free and conversion free palm and beef supply chain by 2025	Percentage of palm purchased that is RSPO Certified	https://rspo.org/	100%	100%	100%
	Percentage of palm directly purchased which is RSPO certified (segregated supply)		57%	67%	73%
	Percentage of palm directly purchased which is RSPO certified (mass balance)		43%	33%	27%
	Carbon Disclosure Project (CDP) Forest Benchmark – Palm	https://www.cdp.net/en		C	C
	Percentage of beef products directly and Indirectly purchased which are from low risk origins or certified deforestation free		86%	93%	94%
	Carbon Disclosure Project (CDP) Forest Benchmark – Cattle Products	https://www.cdp.net/en		D	C

Enriching Life Plan disclosure tables continued

Planet

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022/23	2023/24
Protect our natural resources (continued)					
Deforestation free and conversion free across supply chain by 2030	Percentage of soy products directly purchased which are from a low risk origin or certified	https://responsiblesoy.org/	100%	100%	100%
	Percentage of soy sourced through certified credit schemes where purchased as part of an ingredient		100%	100%	100%
	Percentage of soy sourced through certified credit schemes where used as feed in animal farming for products in our supply chain		100%	100%	100%
	Percentage of paper & board purchased directly which are from low risk origins or PEFC or FSC certified		100%	100%	100%
	Percentage of sugar purchased directly which is from areas of low risk origin or is deforestation free certified		93%	96%	97%
	Percentage of cocoa powder and chocolate directly purchased which is mass balance certified or verified	This is a new measure and not available for years before 2022/23.		47%	97%
	Carbon Disclosure Project (CDP) Forest Benchmark – Soy Products	https://www.cdp.net/en		C	C
Champion regenerative agricultural practices for key ingredients	Percentage of key suppliers in critical ingredients categories supporting sustainable agricultural practices and initiatives [4]	Critical categories include dairy, wheat and flour, sugar beet and cane, potato, apple, tomato, maize, rice, oils and onion. This is a new measure and not available for years before 2022/23.		23%	35%

Planet

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022 /23	2023 /24
Reduce waste across our value chain					
Halve our food waste	Total food waste (tonnes) [5]	Using Champions 12.3 methodology.	8,012	6,803	6,088
	Absolute reduction versus 2017			-15.1%	-24.0%
	Total food waste (% of production) [5]		2.4%	2.1%	2.0%
	Reduction versus 2017			-12.5%	-17.5%
Support our suppliers to halve their food waste	Percentage of key ingredients and finished goods suppliers with targets aligned to halving food waste by 2030. [6]	Suppliers with no material impact on food waste (i.e. packaging and agents) are excluded from this measure.		29%	33%
Use the strength of our brands to engage shoppers and consumers to reduce food waste in the home	Number of brand led initiatives to encourage shoppers and consumers to reduce food waste in the home	Third successful activation of on pack partnership with FareShare.		2	1
Other key environmental and supply chain measures					
	Total production (tonnes)		367,992	305,449	290,675
	Total water withdrawn (m^3)	All incoming water including abstraction (groundwater and surface water) and mains derived.	776,026	708,774	682,327
	Total water consumed (m^3)	Estimated water consumed through incorporation into our products.	66,125	85,628	40,397
	Carbon Disclosure Project (CDP) Water Benchmark	https://www.cdp.net/en		C	C
	Number of operational sites with ISO 14001 certification		8/8	9/9	8/8

2 All disclosures follow the Greenhouse Gas protocol and the reporting criteria used can be found on our website www.premierfoods.co.uk/CorporateSite/media/documents/sustainability/Premier-Foods-reporting-criteria-for-specified-ESG-performance-metrics-2023-24.pdf.

3 2023/24 Scope 3 emissions data covers the 2023 calendar year. Includes: capital goods, fuel and energy-related activities, waste generated in operations, business travel, employee commuting, and the end-of-life treatment of sold products (packaging). Since the prior disclosure the calculation methodology has been improved to adopt more up-to-date emission factors for key ingredients, and to recategorise some emissions as Downstream transport from other categories. Premier Foods purchased *FUEL10K* in autumn 2023. Activity associated with *FUEL10K* products is not included in the 2023 scope 3 emissions data. It will be included in future disclosures.

4 Key suppliers are our 70 most impactful suppliers based on greenhouse emissions and other environmental impacts.

5 Food waste reporting is aligned with the Champions 12.3 and UK Food Reduction Roadmap and, therefore, covers prior calendar year. Baseline year is 2017.

6 We have updated the criteria for suppliers with no material impact on food waste and the 2022/23 data has been restated to reflect revised supplier responses to our original questionnaire.

Enriching Life Plan disclosure tables continued

People

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022 /23	2023 /24
Create a diverse, healthy and inclusive culture					
Gender balance in our senior leadership team [7]	Percentage of Senior Management roles which are held by females	Senior management is considered to be our Executive Leadership Team and their direct reports.	27.0%	40.4%	41.1%
	Percentage of general management roles which are held by females	General management roles are all graded roles (grades 0-5; these employees all have access to the Management Bonus Scheme).	43.5%	46.9%	46.4%
	Percentage of total colleagues that are women		36.7%	36.7%	36.0%
	Mean gender pay gap (hourly)	https://www.premierfoods.co.uk/sustainability/our-progress/gender-pay-gap-2023	8.4%	5.6%	6.9%
	Mean gender pay gap (bonus)		37.8%	40.5%	29.3%
Our Diversity kpis will reflect regional demographics	Percentage of employees who are non-white vs national average	Premier Foods data is compared against people from a non-white backgrounds at 18% according to the 2021 Census.	10.6%	14.2%	14.4%
	Percentage of Senior Management roles which are held by those from an ethnic minority[9]	Senior management is considered to be our Executive Leadership Team and their direct reports.			3.6%
	Percentage of employees who are self identifying as LGBTQ+ vs national average	Premier Foods data is compared against figures from the 2021 Census stating that 3.2% of the UK population reports to be part of the LGBTQ+ community.		4.8%	4.6%
All sites will achieve platinum level Health & Wellbeing accreditation	Number of sites achieving an external Health & Well-being accreditation	Accreditation programme started in 2022/23 with a phased roll-out over coming years.		2	5
Be a leading developer of people in the Food & Drink industry					
We will provide skills programmes and work opportunities for the young and excluded groups to enable a fulfilling career in the Food Industry	Number of apprenticeships	Total number of employees participating in an apprenticeship programme.	87	94	90
	Number of partnerships with groups who can help us support the young and excluded groups into employment	Number of partnerships with local schools, colleges, charities or social enterprises developing employability skills.	2	5	10
Support employees to develop key skills with 75% of Science, Technology, Engineering and Maths (STEM) vacancies filled by internal candidates	Percentage of STEM vacancies filled by internal candidates	Percentage of all roles which require STEM skills which are filled by internal candidates, apart from first entry level.		39%	47%
	Number of T-level placements	First T-level placements started in autumn 2022.		2	3

People

Commitment	KPI Measure	Comments	Baseline (2020/21 unless otherwise stated)	2022 /23	2023 /24
	Number of STEM apprenticeships	Number of apprenticeships in roles requiring STEM skills.	43	47	70
80% of colleagues will feel they have opportunity to develop and grow	Percentage of colleagues stating that they feel they have opportunities to develop and grow	Results from biannual colleague survey. 2020/21 baseline figure are from the survey results gathered in 2021.	53%	N/A	60%
Other key employee measures					
	Colleague survey participation	Results from biannual colleague survey. 2020/21 baseline figure are from the survey results gathered in 2021.	88%	N/A	87%
	Staff turnover (%)	Colleague turnover is calculated using average total headcount and total leavers made up of resignations, retirements & death in service.	4.4%	12.1%	11.5%
	Total headcount	Excludes all contractors, interim colleagues and agency staff.	4,385	4,098	4,048
	Lost Time Accidents (LTA) per 100,000 hours worked		0.10	0.14	0.18
	RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) per 100,000 hours worked	UK food manufacturing average: 0.50	0.02	0.09	0.12
	Work-related fatal injuries		0	0	0
Be a caring community partner					
We will donate 1 million meals p.a. to those in food poverty	Number of meals provided to charities	Data includes direct product and financial donations. [8]	593,859	726,530	949,040
Be more of a force for good in our communities by volunteering at least 1,000 colleague days each year	Number of days volunteered by colleagues to charities or registered good causes	1 day is at least 8 hours of employee time from their paid hours. Recorded from 2022 onwards.		270	502
	Total Community Investment contribution value (in £000's)	Community investment is defined as the value of monetary (or equivalent) contributions to community-based organisations and initiatives that extend beyond our core business activities to help address a wide range of issues and causes aligned to our Enriching Life Plan. Not all community investment will be made directly to a charity, but the intention of the activities being funded or supported will be to deliver community benefit. This includes all direct and leveraged contributions including financial, in-kind, donations and volunteering.	£841.2	£1,239.5	£1,323.9

7 Senior management is considered to be our Executive Leadership Team and their direct reports. We would like to reach a position where females make up between 45% and 55% reflecting that it is a relatively small team and, therefore, percentage measures can be impacted by short-term fluctuations in individual roles. This approach also recognises that some individuals do not identify with traditional binary gender definitions.

8 Data includes direct product and financial donations to programmes supporting food redistribution to those in food poverty and food insecurity. 1 meal = 420g for product donations, as per guidance from WRAP, and £0.25 through 2023 and £0.21 through 2024 for financial donations, as per guidance from FareShare.

9 New measure and data is not available for prior years.

Additional information

Shareholder enquiries

The Company's Register of Members is maintained by our registrar, Equiniti. Shareholders with queries relating to their shareholding should contact Equiniti directly using the details given below:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Telephone – 0371 384 2040 (or +44 371 384 2040), if calling from outside the UK). Calls to this number are charged at a national rate. Lines are open 8.30 am to 5.30 pm Monday to Friday, excluding UK public holidays.

Or visit Equiniti's Shareview website: www.shareview.co.uk

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Financial PR advisers

Headland

Cannon Green, 27 Bush Lane, London, EC4R 0AA

Trademarks

The Company's trademarks are shown in italics throughout this Annual Report. The Company has an exclusive worldwide licence to use the *Loyd Grossman* name on certain products. The Company has an exclusive licence to use the *Cadbury* trademark in the UK and Republic of Ireland (and a non-exclusive licence for use in other specified territories) on a variety of ambient cake products. *Cadbury* is a trademark of the Mondelēz International Group. Cup Noodles and Soba noodles are trademarks of Nissin Foods Holding Co., Limited ('Nissin'), who is the Company's largest shareholder. The Company has entered into a co-operation agreement with Nissin to market and distribute certain Cup Noodles and Soba noodles products in the UK and certain other jurisdictions.

Cautionary statement

The purpose of this Annual Report is to provide information to shareholders of Premier Foods plc ('the Company'). The Company, its directors, employees and advisors do not accept or assume responsibility to any other person to whom this document is shown, or into whose hands it may come, and any such responsibility or liability is expressly disclaimed. It contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of the Company. These statements and forecasts involve risk and uncertainty, because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Annual Report should be construed as a profit forecast.

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