CRANSWICK plc: INTERIM RESULTS

A positive start to the year

26 November 2019

Cranswick plc ("Cranswick" or "the Company" or "the Group"), a leading UK food producer, today announces its unaudited results for the six months ended 30 September 2019.

Strategic and commercial progress:

- Robust performance in a competitive UK market
- Total export revenue up 65%, including Far East export revenue 94% ahead
- Commissioning of world-class, £75 million primary poultry processing facility in Eye, Suffolk began in early November
- Record H1 capital expenditure of £56 million to provide the platform for future growth
- Completion of £14 million extension to Hull cooked meats facility
- Acquisition of Katsouris Brothers, further broadening our non-meat activities

Financial highlights[1]:

	2019	2018	**Change (Reported)**	Change (Like-for-like)
Revenue	**£770.0m**	£719.2m	**+7.1%**	+5.4%
Adjusted Group Operating Profit[2]	**£47.4m**	£44.9m	**+5.6%**	
Adjusted Group Operating Margin[2]	**6.2%**	6.2%	**-**	
Adjusted Profit before tax[2]	**£46.4m**	£44.8m	**+3.6%**	
Adjusted earnings per share	**71.6p**	70.0p	**+2.3%**	

- Statutory profit before tax 11.3% higher at £47.4m (2018: £42.6m)
- Statutory earnings per share up 10.2% to 73.2p (2018: 66.4p)

- Interim dividend increased by 5.0% to 16.7p (2018: 15.9p)
- Net debt of £113.7m (2018: net funds of £2.2m)[2]

Adam Couch, Cranswick's Chief Executive Officer commented:

"We have made a positive start to the year with reported revenue growth of 7.1% underpinned by a very strong performance in our Far East export markets. The UK market remains highly competitive.

"We have again invested at record levels across our asset base to position the business for future growth. The Katsouris Brothers business, acquired in July, has been integrated successfully and is performing in line with our expectations.

"We completed the build phase of our new Eye poultry facility on time and to budget with the commissioning process successfully started in early November.

"I remain confident that continued focus on the strengths of our business, which include long-standing customer relationships, breadth, quality and relevance of our products, robust financial position and industry leading infrastructure, will support the further successful development of Cranswick over the near and longer term."

[1] 'Adjusted' and 'like-for-like' references throughout this statement refer to non-IFRS measures or Alternative Performance Measures ('APMs'). Definitions and reconciliations of the APMs to IFRS measures are provided in Note 13.

[2] Includes first time recognition of IFRS 16 Leases in 2019 which increases net debt by £46.5m, increases Group operating profit by £0.5m and reduces profit before tax by £0.1m. Comparatives have not been restated.

Presentation

A presentation of the results will be made to analysts and institutional investors today at 10.00am at The Lincoln Centre, 18 Lincoln's Inn Fields, London, WC2A 3ED.

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Note to Editors:

Cranswick is a leading and innovative supplier of premium, fresh and added value food products. The business employs over 11,000 people and operates from sixteen well invested, highly efficient production facilities in the UK.

Cranswick was formed in the early 1970s by farmers in East Yorkshire to produce animal feed and has since evolved into a business which produces a range of high quality, predominantly fresh food, including fresh pork, poultry, convenience and gourmet products. Through the Group's four primary processing and twelve added value processing facilities the business develops innovative, great tasting food products to the highest standards of food safety and traceability. The Group supplies the major grocery multiples as well as the growing premium and discounter retail channels. Cranswick also has a strong presence in the 'food-to-go' sector and a rapidly growing export business.

For more information go to: www.cranswick.plc.uk

Summary

The Company made a positive start to the year, with the first half of the year delivering good revenue growth and substantial strategic progress achieved.

There was a robust performance in the competitive domestic market, encouraging developments in key export markets, a further broadening of the non-meat activities with the acquisition of Katsouris Brothers and continued record levels of investment in the asset base.

Results

Total revenue in the period was £770.0 million, 7.1 per cent higher than in the corresponding period a year ago. Like-for-like revenue, excluding Katsouris Brothers, was 5.4 per cent higher.

Adjusted profit before tax for the period was 3.6 per cent higher at £46.4 million compared to £44.8 million in the corresponding period last year. Adjusted earnings per share on the same basis was up 2.3 per cent at 71.6 pence compared to 70.0 pence in the equivalent period last year.

Cash flow and financial position

Net debt at the end of the period rose to £113.7 million reflecting primarily the acquisition of Katsouris Brothers (£41.3 million net cash consideration), the substantial capital expenditure programme and recognition of IFRS 16 lease liability (£46.5 million). The Group's unsecured bank facility provides comfortable headroom and further details are provided in the Finance Review.

African Swine Fever

Although conditions in our core UK market remain extremely competitive, the outbreak of African Swine Fever (ASF) in our Far Eastern export markets has created the opportunity to increase sales into this region on commercially favourable terms. We anticipate this opportunity may continue in the medium term provided the UK remains ASF free.

Dividend

The interim dividend is being increased by 5.0 per cent to 16.7 pence per share from 15.9 pence per share previously. The dividend will be paid on 24 January 2020 to Shareholders on the register at the close of business on 13 December 2019. Shareholders will again have the option to receive the dividend by way of a scrip issue.

Colleagues

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

Outlook

The Board is encouraged by the continued commercial and strategic progress made by the Company and, with commissioning of the new poultry facility due to be completed by the financial year end, looks to the future with confidence.

Operating review

Revenue and adjusted operating profit

	H1 19	H1 18	Change (Reported)	Change (Like-for-like)*
Revenue	£770.0m	£719.2m	+7.1%	+5.4%
Adjusted Group operating profit*	£47.4m	£44.9m	+5.6%	
Adjusted Group operating margin*	6.2%	6.2%	-	

* See Note 13

Revenue
Reported revenue increased by 7.1 per cent to £770.0 million.

Like-for-like revenue, which excludes the contribution from Katsouris Brothers during the period, increased by 5.4 per cent, with corresponding volumes 0.6 per cent higher. Revenue growth from Fresh Pork, Pastry, Continental Products, Bacon and Poultry was partly offset by lower year-on-year revenue in other pork related categories.

Adjusted Group operating profit
Adjusted Group operating profit increased by 5.6 per cent to £47.4 million. Adjusted Group operating margin at 6.2 per cent was in line with the corresponding period last year.

Category review

Fresh Pork
Total Fresh Pork revenue increased by 15.1 per cent reflecting stronger wholesale and export demand through the first half of the year, with the number of pigs processed during the period increasing by 8.8 per cent compared to H1 FY19. Retail sales were also modestly ahead.

We invested £4.2 million across the three pork primary processing facilities during the period, including a further £0.8 million spent on upgrading the refrigeration systems at the Hull facility.

Total export revenue increased by 65.2 per cent, with exports accounting for 9.4 per cent of Group revenue during the period. Export revenue to our key Far Eastern markets was 94.3 per cent higher reflecting strong demand from China following the widespread outbreak of African Swine Fever (ASF) in the region. Cranswick now accounts for approaching 60 per cent of all UK pork meat exports to the region. Shortly after the period end our Norfolk facility was granted full Chinese export approval. All three of our facilities now have full export approval leaving us well placed to develop and grow this revenue stream.

The Chinese pig price had increased by 89 per cent year on year as at the end of September 2019 and pork meat imports had increased by 72 per cent over the same period. According to the latest Rabobank outlook, it is anticipated that restocking of the Chinese herd may take several years. EU pork prices remain high, supported by strong export demand, particularly from China. ASF outbreaks continue in domestic pigs in Eastern Europe, but the reporting rate of cases in the wild boar population in Belgium continues to decline. However, we are accutely aware of the impact an outbreak of ASF would have on the UK pig industry and its ability to continue exporting. The UK industry remains on high alert with intensive biosecurity protocols in place. We have introduced a raft of preventative measures to minimise our exposure to the disease. We will continue to reach out to our industry bodies and government agencies to ensure that the risk posed by ASF to the UK farming sector is fully understood and brought to the attention of the wider public.

We continue to invest in our farming infrastructure, both through our Wayland and Wold Farming operations and through our White Rose Farms joint venture.

The UK pig price (EU-spec SPP) increased by 12 per cent during the period, albeit the average price across the period was modestly lower when compared to the same period a year earlier. The EU reference pig price increased by 25 per cent during the first half of the year, with the average price across the period also up 21 per cent year-on-year. The EU reference price was, on average 5 per cent higher than the UK price during the period. The uplifts both during the period and year-on-year, and the premium to the UK pig price, have been driven by a significant uplift in demand from China.

Convenience
Convenience revenue increased by 5.1 per cent reflecting strong growth in Continental Products partly offset by lower Cooked Meats revenue. Excluding the contribution from Katsouris, like-for-like Convenience revenue was 0.5 per cent ahead.

Cooked Meats sales were slightly down on the same period last year. Category performance was ahead of the wider market which faced the twin headwinds of a strong summer season in 2018 and lower year-on-year promotional activity. We gained market share during the period due to an increased share of promotional activity with two of our key customers, strong growth with one of our discount customers and new business launched with one of our premium retail customers part way through the period. We invested £19.8 million across the three Cooked Meats facilities during the period including the commissioning of the new Sutton Fields £13.9 million extension. Investment also continued at the Milton Keynes facility to accommodate additional business with the site's dedicated customer which comes on stream in H2.

Continental revenue growth was underpinned by a strong performance from the site's lead customer particularly across the corned beef, olive and pre-pack categories. The new Bury facility, which was commissioned in H1 FY19 is now performing in line with expectations. Further investment in the automation of olive packing has increased throughput, creating capacity to accommodate future volume growth. During the period the freehold site at Trafford Park, Manchester, which was vacated when the Continental business moved to its new location in Bury, was sold for £3.2 million, realising a profit on disposal of £0.4 million.

The Katsouris Brothers business, which was acquired in July this year, performed in line with expectations. Katsouris Brothers is a leading processor and multi-channel supplier of Continental and Mediterranean food products. The business operates from two facilities in Wembley, North London and employs a total workforce of approximately 250 people. The acquisition strengthens our existing Continental Products business and broadens our offering in a number of fast-growing, plant-based, non-meat product categories.

Gourmet Products
Gourmet Products revenue was in line with the same period last year, with strong growth in Pastry and Bacon offsetting lower Sausage revenue.

Lower Sausage revenue reflected tough comparatives due to the extended barbecue season in the prior year. While some business was lost during the period, these losses were largely offset by new contract gains. Strong demand for festive garnish ranges is expected to drive sales over the Christmas trading period.

Strong volume growth in Bacon reflected new food service business coming on stream during the period and increased promotional activity with a key retail customer. This positive volume momentum was partly offset by downward pressure on selling prices from one retail account.

Pastry revenue grew strongly during the period supported by new contract wins and a strong innovation pipeline. The 'Best Ever' and new 'En Croute' ranges, which are supplied to the site's anchor customer, performed ahead of expectations. Towards the end of the period a new product range was launched across a number of outlets with a national coffee shop chain.

Poultry
Poultry revenue increased by 5.0 per cent during the period, with a more moderate growth profile compared to recent reporting periods primarily reflecting the annualisation of new business wins in the Cooked Poultry category.

Our Fresh Chicken business continued to operate at full capacity during the period ahead of the move to the new Eye facility. The customer base was realigned during the period, with new business launched with the anchor customer for the Eye facility balancing the rationalisation of the existing customer base. Above average summer temperatures adversely affected broiler growing performance and subdued wholesale pricing continues to impact the performance of the business.

Investment in the new £74.8 million poultry primary processing facility at Eye in Suffolk, which will more than double existing capacity, is progressing to plan, with £24.1 million, out of a total of £27.0 million across the Poultry category, spent on the project during the period. The commissioning process started shortly after the period end in early November and is due to be completed by the financial year end. Investment in the upstream agricultural operations also continued during the period and a second feed mill in Hoxne, Suffolk came on stream shortly after the period end.

Cooked Poultry revenue growth reflected the launch of new business with a third national grocery multiple and the introduction of a new product range with one of the sites existing retail customers during the period.

Finance review

The Group is presenting its interim financial information for the six months to 30 September 2019 with comparative information for the six months to 30 September 2018 and the year to 31 March 2019.

Revenue

Revenue at £770.0 million was 7.1 per cent ahead of the corresponding period last year driven by increased wholesale and export demand for Fresh Pork driving higher export volumes and prices, and the contribution from Katsouris Brothers Limited acquired in July 2019. Like-for-like revenue was 5.4 per cent higher, with corresponding volumes up 0.6 per cent. Export sales increased by 65.2 per cent, with Far East exports 94.3 per cent ahead.

Adjusted Group operating profit

Adjusted Group operating profit of £47.4 million (2018: £44.9 million), increased by 5.6 per cent. Adjusted Group operating margin of 6.2 per cent of sales was in line with the same period last year.

Share of loss of joint venture

Share of loss of joint venture of £0.1 million (2018: £nil) represents the on-going start up losses of White Rose Farms during the period. The business is part of the Group's longer term strategy to secure commercial pig supply and current year losses are in line with the business plan.

Finance costs

Net financing costs at £0.9 million included £0.6 million of IFRS 16 lease interest, recognised within finance costs for the first time in the period. Underlying net finance costs were £0.2 million higher than the first half of the prior year, with higher average borrowings used to fund increased capital expenditure and the Katsouris acquisition.

The Group's banking facility is unsecured, runs to November 2023 and comprises a revolving credit facility of £160 million (falling to £120 million from November 2022), including a committed overdraft of £20 million. It also includes the option to access a further £40 million on the same terms at any point during the term of the agreement.

Adjusted profit before tax

Adjusted profit before tax was 3.6 per cent higher at £46.4 million (2018: £44.8 million).

Taxation

The tax charge as a percentage of profit before tax was 20.1 per cent (2018: 20.2 per cent). The standard rate of corporation tax was 19 per cent (2018: 19 per cent). The charge for the period was higher than the standard rate of corporation tax due to the impact of disallowed expenses, largely relating to non-qualifying depreciation, as in the same period last year.

Adjusted earnings per share

Adjusted earnings per share for the six months to 30 September 2019 rose by 2.3 per cent to 71.6 pence compared to the 70.0 pence reported in the corresponding period in the prior year. The average number of shares in issue was 51,810,000 (2018: 51,188,000).

Statutory profit measures

Statutory profit before tax increased by 11.3 per cent to £47.4 million (2018: £42.6 million), statutory Group operating profit was 13.3 per cent higher at £48.4 million (2018: £42.7 million) and statutory earnings per share were up 10.2 per cent at 73.2 pence (2018: 66.4 pence). Full reconciliations of these results to the adjusted measures can be found in Note 13.

Acquisition of Katsouris Brothers Limited

On 26 July 2019, the Group acquired the whole of the issued share capital of Katsouris Brothers Limited, a leading Continental and Mediterranean food products supplier, which further broadened our non-meat activities. The initial cash consideration was £41.3 million net of cash acquired. A further fixed payment of £0.7 million is payable in the second half of the year and a contingent consideration of up to £7.0 million is due in FY21. Further details of the transaction are set out in Note 8.

Cash flow and net debt

Cash generated from operations in the period was £56.8 million (2018: £48.7 million), reflecting higher adjusted Group operating profit offset by a working capital outflow of £11.9 million (2018: £11.2 million). Net debt increased by £120.0 million in the six-month period to £113.7 million from net funds of £6.3 million at 31 March 2019. The increase included £46.5 million IFRS 16 lease liabilities recognised for the first time (Note 2), a net £41.3 million initial cash outflow on the Katsouris Brothers acquisition (Note 8), £55.7 million invested in the Group's asset base and £15.6 million of dividends paid. Full year capital expenditure guidance of £100 million is maintained. The Group's balance sheet continues to be conservatively managed.

IFRS 16 Leases

The Group has adopted IFRS 16 Leases during the period, recognising an initial £40.2 million of right-of-use assets and lease liabilities on the transition date of 1 April 2019. Lease liabilities at 30 September 2019 include a £4.9 million lease acquired as part of the Katsouris Brothers Limited acquisition and £5.0 million of leases taken out in the period. Further details of the impact of IFRS 16 are given in Note 2.

Pensions

The Group operates defined contribution pension schemes whereby contributions are made to schemes administered by major insurance companies. Contributions to these schemes are determined as a percentage of employees' earnings. The Group also operates a defined benefit pension scheme which has been closed to further benefit accrual since 2004. The deficit on this scheme at 30 September 2019 was £5.7 million which compared to £6.5 million at 31 March 2019. Cash contributions to the scheme during the period, as part of the programme to reduce the deficit, were £0.9 million. The present value of funded obligations was £46.5 million, and the fair value of plan assets was £40.8 million.

The valuation of the defined benefit pension liability is dependent upon market conditions and actuarial methods and assumptions (including mortality assumptions). Such changes in actuarial assumptions and the performance of the funds may result in changes to amounts charged or released through the income statement and the Group may be required to pay increased pension contributions in the future. The Board regularly reviews its pension strategy with reference to the value of assets and liabilities under the pension scheme as well as the potential impact of changes in actuarial assumptions.

Principal risks and uncertainties

There are a number of risks and uncertainties facing the business in the second half of the financial year. With the exception of the risk associated with climate change which has been added to the Group's risk register in the period (see details below), the Board considers these risks and uncertainties to be the same as those described in the Report & Accounts for the year ended 31 March 2019, dated 21 May 2019, a copy of which is available on the Group's website at www.cranswick.plc.uk. The principal risks and uncertainties which are set out in detail on pages 44 and 45 of the Report & Accounts for the year ended 31 March 2019 are:

Strategic risks
- Competitor activity
- Growth & change

Commercial risks
- Consumer demand
- Pig meat – availability & price
- Reliance on key customers & exports

Financial risks
- Interest rate, currency, liquidity & credit risk

Operational risks
- Labour availability and cost
- IT systems & cyber security
- Food scares & product contamination
- Disease & infection within livestock
- Health & safety
- Recruitment & retention of workforce
- Disruption to Group operations

Risk area	Description of risk	Mitigation
Climate change/Sustainability	Evaluating the effect that climate change/sustainability issues will have on the financial and operational activities of the Group to include supply chain, operations (both farming and manufacturing), communities and customers	The Group has quarterly Second Nature meetings to review progress against action plans to tackle climate change, including our commitment to achieving net zero annual carbon emissions by 2050

UK referendum on EU membership

The continued uncertainty over the nature of the UK's exit from the EU drives volatility in currency markets and uncertainty within the European labour market. The Group therefore continues to monitor and manage its business risks in these areas with the key issues facing the Group being; access to and cost of labour; import tariffs on EU pork and continental food products; and the valuation of Sterling versus the Euro and other world currencies.

In response to these business risks the Group set up a Brexit taskforce made up of key internal stakeholders who have met regularly throughout the period to review Brexit related risks and develop mitigating plans. In February 2019 an external review of the Group's Brexit plan was completed which has helped to verify and direct the work of the Brexit taskforce going forward.

As political negotiations continue, the Board will monitor outcomes, seek to assess the possible impact on its stakeholders and implement appropriate responses.

Forward looking information

This interim report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them at the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

Group income statement (unaudited)

for the six months ended 30 September 2019

	Notes	Half year 2019 £'m	Half year 2018 £'m	Year to 31 March 2019 (Audited) £'m
Revenue		**770.0**	719.2	1,437.1
Adjusted Group operating profit		**47.4**	44.9	92.3
Net IAS 41 valuation movement on biological assets		**2.6**	(1.1)	(2.8)
Amortisation of acquired intangible assets		**(1.6)**	(1.1)	(2.7)
Group operating profit	*4*	**48.4**	42.7	86.8
Share of loss of joint venture		**(0.1)**	-	(0.1)
Finance costs		**(0.9)**	(0.1)	(0.2)
Profit before tax		**47.4**	42.6	86.5
Taxation	*5*	**(9.5)**	(8.6)	(16.9)
Profit for the period		**37.9**	34.0	69.6

Earnings per share (pence)

On profit for the period:			
Basic	**73.2**	66.4	135.5
Diluted	**73.0**	66.1	134.9

Group statement of comprehensive income (unaudited)

for the six months ended 30 September 2019

	Notes	Half year 2019 £'m	Half year 2018 £'m	Year to 31 March 2019 (Audited) £'m
Profit for the period		**37.9**	34.0	69.6
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Cash flow hedges				
Gains arising in the period	*9*	**0.5**	0.3	-
Reclassification adjustments for gains included in the income statement		**(0.4)**	(0.3)	(0.5)
Income tax effect		**-**	-	0.1
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**0.1**	-	(0.4)
Items not to be reclassified to profit or loss in subsequent periods:				
Actuarial (losses)/gains on defined benefit pension scheme		**(0.1)**	-	0.3
Income tax effect		**0.1**	-	0.4
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**-**	-	0.7
Other comprehensive income, net of tax		**0.1**	-	0.3
Total comprehensive income, net of tax		**38.0**	34.0	69.9

Group balance sheet (unaudited)

at 30 September 2019

	Notes	Half year 2019 £'m	Half year 2018 £'m	As at 31 March 2019 (Audited) £'m
Non-current assets				
Intangible assets		**190.6**	155.1	153.5
Property, plant and equipment		**383.2**	263.5	291.2
Biological assets		**1.7**	0.4	0.7
Total non-current assets		**575.5**	419.0	445.4
Current assets				
Biological assets		**24.5**	19.2	20.6
Inventories		**78.4**	70.4	67.4
Trade and other receivables		**191.0**	158.9	161.7
Financial assets		**3.1**	2.3	2.3
Cash and short-term deposits	*10*	**21.1**	9.3	20.5
Total current assets		**318.1**	260.1	272.5
Total assets		**893.6**	679.1	717.9
Current liabilities				
Trade and other payables		**(177.0)**	(148.7)	(150.2)
Lease liabilities	*2*	**(8.4)**	-	-
Financial liabilities		**(7.2)**	(0.1)	(0.6)
Provisions		**(0.2)**	(0.5)	(0.2)
Income tax payable		**(1.3)**	(7.7)	(7.7)
Total current liabilities		**(194.1)**	(157.0)	(158.7)
Non-current liabilities				
Other payables		**(1.2)**	(1.2)	(0.7)
Lease liabilities	*2*	**(38.1)**	-	-
Financial liabilities		**(88.3)**	(7.2)	(14.2)
Deferred tax liabilities		**(3.6)**	(1.3)	(0.8)
Provisions		**(1.9)**	(1.8)	(2.0)
Share of joint venture		**(0.2)**	-	(0.1)
Defined benefit pension scheme deficit		**(5.7)**	(7.2)	(6.5)
Total non-current liabilities		**(139.0)**	(18.7)	(24.3)
Total liabilities		**(333.1)**	(175.7)	(183.0)
Net assets		**560.5**	503.4	534.9
Equity				
Called-up share capital		**5.2**	5.2	5.2
Share premium account		**94.7**	87.1	89.1
Share-based payments		**28.7**	23.5	25.8
Hedging reserve		**(0.3)**	-	(0.4)
Retained earnings		**432.2**	387.6	415.2
Equity attributable to owners of the parent		**560.5**	503.4	534.9

Group statement of cash flows (unaudited)

for the six months ended 30 September 2019

	Notes	Half year 2019 £'m	Half year 2018 £'m	Year to 31 March 2019 (Audited) £'m
Operating activities				
Profit for the period		**37.9**	34.0	69.6
Adjustments to reconcile Group profit for the period to net cash inflows from operating activities:				
Share of loss of joint venture		**0.1**	-	0.1
Income tax expense		**9.5**	8.6	16.9
Net finance costs		**0.9**	0.1	0.2
Gain on sale of property, plant and equipment		**(0.2)**	(0.3)	(0.2)
Depreciation of property, plant and equipment		**19.6**	13.8	28.9
Amortisation of intangibles		**1.6**	1.1	2.7
Share-based payments		**2.9**	2.5	4.8
Difference between pension contributions paid and amounts recognised in the income statement		**(0.9)**	(0.9)	(1.3)
Release of government grants		**(0.1)**	(0.1)	(0.2)
Net IAS 41 valuation movement on biological assets		**(2.6)**	1.1	2.8
Increase in biological assets		**(2.3)**	(2.9)	(6.3)
Increase in inventories		**(6.4)**	(11.2)	(8.2)
(Increase)/decrease in trade and other receivables		**(18.9)**	1.3	(1.1)
Increase/(decrease) in trade and other payables		**15.7**	1.6	(2.2)
Cash generated from operations		**56.8**	48.7	106.5
Tax paid		**(15.9)**	(9.7)	(18.8)
Net cash from operating activities		**40.9**	39.0	87.7
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	*8*	**(41.3)**	(0.8)	(0.8)
Loan to joint venture		**(0.9)**	(2.3)	(2.2)
Purchase of property, plant and equipment		**(55.7)**	(40.8)	(79.2)
Proceeds from sale of property, plant and equipment		**3.7**	0.3	0.8
Receipt of government grants		**-**	0.4	0.4
Net cash used in investing activities		**(94.2)**	(43.2)	(81.0)
Cash flows from financing activities				
Interest paid		**(0.2)**	-	(0.4)
Proceeds from issue of share capital		**0.5**	0.3	1.8
Issue costs of long-term borrowings		**-**	-	(0.1)
Repayment of borrowings		**(0.7)**	-	-
Proceeds from borrowings	*10*	**74.0**	7.0	14.0
Dividends paid		**(15.6)**	(14.4)	(22.1)
Payment of lease liabilities		**(4.1)**	-	-
Net cash from/(used) in financing activities		**53.9**	(7.1)	(6.8)
Net increase/(decrease) in cash and cash equivalents	*10*	**0.6**	(11.3)	(0.1)
Cash and cash equivalents at beginning of period	*10*	**20.5**	20.6	20.6
Cash and cash equivalents at end of period	*10*	**21.1**	9.3	20.5

Group statement of changes in equity (unaudited)

for the six months ended 30 September 2019

	Share capital £'m	Share premium £'m	Share-based payments £'m	Hedging reserve £'m	Retained earnings £'m	Total equity £'m
At 1 April 2019	5.2	89.1	25.8	(0.4)	415.2	534.9
Profit for the period	-	-	-	-	37.9	37.9
Other comprehensive income	-	-	-	0.1	-	0.1
Total comprehensive income	-	-	-	0.1	37.9	38.0
Share-based payments	-	-	2.9	-	-	2.9
Scrip dividend	-	5.1	-	-	-	5.1
Share options exercised	-	0.5	-	-	-	0.5
Dividends	-	-	-	-	(20.7)	(20.7)
Deferred tax relating to changes in equity	-	-	-	-	0.2	0.2
Corporation tax relating to changes in equity	-	-	-	-	(0.4)	(0.4)
At 30 September 2019	**5.2**	**94.7**	**28.7**	**(0.3)**	**432.2**	**560.5**
At 1 April 2018	5.1	81.5	21.0	-	372.3	479.9
Profit for the period	-	-	-	-	34.0	34.0
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	34.0	34.0
Share-based payments	-	-	2.5	-	-	2.5
Scrip dividend	-	5.3	-	-	-	5.3
Share options exercised	0.1	0.3	-	-	-	0.4
Dividends	-	-	-	-	(19.7)	(19.7)
Deferred tax relating to changes in equity	-	-	-	-	(0.4)	(0.4)
Corporation tax relating to changes in equity	-	-	-	-	1.4	1.4
At 30 September 2018	5.2	87.1	23.5	-	387.6	503.4
(Audited)						
At 1 April 2018	5.1	81.5	21.0	-	372.3	479.9
Profit for the year	-	-	-	-	69.6	69.6
Other comprehensive income	-	-	-	(0.4)	0.7	0.3
Total comprehensive income	-	-	-	(0.4)	70.3	69.9
Share-based payments	-	-	4.8	-	-	4.8
Scrip dividend	-	5.9	-	-	-	5.9
Share options exercised	0.1	1.7	-	-	-	1.8
Dividends	-	-	-	-	(28.0)	(28.0)
Deferred tax relating to changes in equity	-	-	-	-	(0.7)	(0.7)
Corporation tax relating to changes in equity	-	-	-	-	1.3	1.3
At 31 March 2019	5.2	89.1	25.8	(0.4)	415.2	534.9

Responsibility statement

The Directors confirm that to the best of their knowledge the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* and includes a fair review of the information required by DTR 4.2.7R (an indication of important events during the first six months and a description of the principal risks and uncertainties for the remaining six months of the year) and by DTR 4.2.8R (a disclosure of related party transactions and changes therein) of the *Disclosure and Transparency Rules*. The Board of Directors that served during the six months ended 30 September 2019, and their respective responsibilities, can be found on pages 48 and 49 of the 2019 Annual Report & Accounts.

On behalf of the Board

Martin Davey	**Mark Bottomley**
Chairman	Finance Director

26 November 2019

Notes to the interim accounts

1. Basis of preparation

This interim report was approved by the Directors on 26 November 2019 and has been prepared in accordance with the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and the requirements of IAS 34 *Interim Financial Reporting* as adopted by the European Union. The information does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The statutory accounts for the year ended 31 March 2019 prepared under IFRS as adopted by the European Union have been filed with the Registrar of Companies. The report of the auditors on the statutory accounts was not qualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The interim report is unaudited but has been subject to an independent review by PricewaterhouseCoopers LLP pursuant to the Auditing Practices Board guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Finance review. The Group has considerable financial resources together with strong trading relationships with its key customers and suppliers. As a consequence, the Directors believe that the Group is well placed to manage its business risk successfully.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

2. Accounting policies

The accounting policies applied by the Group in this interim report are the same as those applied by the Group in the financial statements for the year ended 31 March 2019 except for:

Taxation

Taxes for the interim periods are accrued using the tax rate that is expected to be applicable to total earnings for the full year based on enacted tax rates at the interim date.

2. Accounting policies (continued)

IFRS 16 – Leases

The Group has adopted IFRS 16 retrospectively from 1 April 2019 but has not restated comparatives for the years to 31 March 2019, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019.

Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate as of 1 April 2019 of 3.0%.

Balance sheet impact

	£'m
Operating lease commitments disclosed as at 31 March 2019	45.8
Discounted using the Group's weighted average incremental borrowing rate at the date of initial application	40.5
Less short-term and low value leases recognised on a straight-line basis as an expense	(0.3)
Lease liability recognised as at 1 April 2019	**40.2**

	30 September 2019 £'m	1 April 2019 £'m
Total lease liability	**46.5**	40.2
Of which:		
Current lease liability	**8.4**	7.7
Non-current lease liability	**38.1**	32.5

The recognised right-of-use assets relate to the following asset classes:

	30 September 2019 £'m	1 April 2019 £'m
Properties	**42.8**	36.1
Plant, equipment and vehicles	**3.6**	4.1
Total right-of-use assets	**46.4**	40.2

Income statement impact

	6 months ended 30 September 2019 £'m
Reduction in lease rental charges	4.1
Increase in right-of-use asset depreciation	(3.6)
Impact on Group operating profit/Adjusted Group operating profit	**0.5**
Increase in lease related interest cost	(0.6)
Overall impact on Group profit before tax/Adjusted profit before tax	**(0.1)**

Impact on earnings per share

Earnings per share decreased by 0.2 pence per share for the six months to 30 September 2019 as a result of the adoption of IFRS 16.

2. Accounting policies (continued)

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group's leasing activities and how these are accounted for

The Group leases various offices, farming units, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 31 March 2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's weighted average incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets primarily comprise IT-equipment.

3. Segmental analysis

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

The CODM assesses profit performance principally through adjusted profit measures consistent with those disclosed in the Annual Report and Accounts.

For the purposes of managing the business, the Group is organised into one reportable segment, being Food: manufacture and supply of food products to UK grocery retailers, the food service sector and other UK and global food producers.

The reportable segment 'Food' represents the aggregation of four operating segments which are aligned to the product categories of the Group; Fresh Pork, Convenience, Gourmet Products and Poultry, all of which manufacture and supply food products through the channels described above. These operating segments have been aggregated into one reportable segment as they share similar economic characteristics. The economic indicators which have been assessed in concluding that these operating segments should be aggregated include the similarity of long-term average margins; expected future financial performance; and operating and competitive risks. In addition, the operating segments are similar with regard to the nature of the products and production process, the type and class of customer, the method of distribution and the regulatory environment.

The revenue of the Group is not significantly impacted by seasonality.

4. Group operating profit

Group operating costs comprise:	Half year		Year to 31 March
	2019	2018	2019
	£'m	£'m	£'m
Cost of sales excluding net IAS 41 valuation movement on biological assets	**669.7**	629.9	1,250.6
Net IAS 41 valuation movement on biological assets*	**(2.6)**	1.1	2.8
Cost of sales	**667.1**	631.0	1,253.4
Gross profit	***102.9***	*88.2*	*183.7*
Selling and distribution costs	**30.8**	26.9	55.4
Administrative expenses excluding amortisation of acquired intangible assets	**22.1**	17.5	38.8
Amortisation of acquired intangible assets	**1.6**	1.1	2.7
Administrative expenses	**23.7**	18.6	41.5
Total operating costs	**721.6**	676.5	1,350.3

* This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historical cost accounting, which forms part of the reconciliation of adjusted operating profit.

5. Taxation

The tax charge for the period was £9.5 million (2018: £8.6 million) and represents an effective rate of 20.1 per cent (2018: 20.2 per cent). The charge for the period was higher than the standard rate of corporation tax due to the impact of disallowed expenses, largely relating to non-qualifying depreciation, as in the same period last year.

A reduction to the standard rate of corporation tax in the UK from 19 per cent to 17 per cent from 1 April 2020 was enacted before the balance sheet date. Deferred tax is therefore provided at 17 per cent.

6. Earnings per share

Basic earnings per share are based on profit for the period attributable to Shareholders and on the weighted average number of shares in issue during the period of 51,810,000 (31 March 2019: 51,385,000, 30 September 2018: 51,188,000). The calculation of diluted earnings per share is based on 51,959,000 shares (31 March 2019: 51,607,000, 30 September 2018: 51,429,000).

7. Dividends – half year ended 30 September

	Half year		Year to 31 March
	2019	2018	2019
	£'m	£'m	£'m
Interim dividend for year ended 31 March 2019 of 15.9p per share	**-**	-	8.3
Final dividend for year ended 31 March 2019 of 40.0p (2018: 38.6p) per share	**20.7**	19.7	19.7
	20.7	19.7	28.0

The interim dividend for the year ending 31 March 2020 of 16.7 pence per share was approved by the Board on 26 November 2019 for payment to Shareholders on 24 January 2020 and therefore has not been included as a liability as at 30 September 2019.

8. Acquisitions

On 26 July 2019, the Group acquired 100 per cent of the issued share capital of Katsouris Brothers Limited for initial net cash consideration of £41.3 million. Katsouris Brothers Limited is a leading processor and multi-channel supplier of Continental and Mediterranean non-meat food products.

Fair values of the net assets at the date of acquisition were as follows:

	Provisional fair value £'m
Net assets acquired:	
Customer relationships	13.1
Trademark	2.5
Property, plant and equipment	11.2
Inventories	4.6
Trade and other receivables	10.5
Bank and cash balances	13.2
Trade and other payables	(7.4)
Corporation tax liability	(0.4)
Deferred tax liability	(2.7)
Bank loan	(0.7)
Lease liabilities	(4.9)
	39.0
Goodwill arising on acquisition	23.0
Total consideration	62.0
Satisfied by:	
Initial cash consideration	54.5
Deferred consideration	0.7
Deferred contingent consideration	6.8
	62.0
Net cash outflow arising on acquisition:	
Cash consideration paid	54.5
Cash and cash equivalents acquired	(13.2)
	41.3

The fair values on acquisition are provisional due to the timing of the transaction and will be finalised within twelve months of the acquisition date.

All of the trade receivables acquired are expected to be collected in full.

Included in the £23.0 million of goodwill recognised above are certain intangible assets that cannot be individually separated from the acquiree and reliably measured due to their nature. These items include the expected value of synergies and an assembled workforce.

Transaction costs in relation to the acquisition of £0.3 million have been expensed within administrative expenses.

From the date of acquisition to 30 September 2019, the external revenues of Katsouris Brothers were £12.3 million and the business contributed a net profit after tax of £0.9 million to the Group.

Contingent Consideration

The agreement includes contingent consideration payable in cash to the previous owners of Katsouris Brothers Limited based on the performance of the business in the 12 month period ending 30 September 2020. The amount payable will be between £nil and £7 million.

The fair value of the contingent consideration on acquisition was estimated at £6.8 million.

9. Financial instruments

The Group's activities expose it to a number of financial risks which include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board considers the Group's financial instruments risk management strategy to be the same as described within the Directors' Report on page 84 of the Report & Accounts for the year ended 31 March 2019.

Fair value of financial instruments

All financial instruments are shown in the balance sheet at fair value as follows:

	Half year				Year to 31 March	
	2019		2018		2019	
	Book value £'m	**Fair value £'m**	Book value £'m	Fair value £'m	Book value £'m	Fair value £'m
Forward currency contracts	**0.4**	**0.4**	**-**	**-**	0.5	0.5
Contingent consideration	**6.8**	**6.8**	**-**	**-**	-	-

The book value of trade and other receivables, trade and other payables, cash balances, overdrafts and amounts outstanding under the revolving credit facility equates to fair value for the Group.

Reconciliation of contingent consideration:

	£'m
At 31 March 2019	-
Recognised in the period (Note 8)	(6.8)
At 30 September 2019	**(6.8)**

Fair value hierarchy

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

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

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. There were no such transfers in the period.

The Group's forward currency contracts are measured using Level 2 of the fair value hierarchy. The valuations are provided by the Group's bankers from their proprietary valuations models and are based on mid-market levels as at close of business on the Group's reporting date.

Contingent consideration was measured using Level 3 of the fair value hierarchy and related to future amounts payable on acquisitions. Amounts payable were based on agreements within purchase contracts, management's expectations of the future profitability of the acquired entity and the timings of the payments.

10. Analysis of Group net funds/(debt)

	At 31 March 2019 £'m	Cash flow £'m	Non-cash movements £'m	**At 30 September 2019 £'m**
Cash and cash equivalents	20.5	0.6	-	**21.1**
Revolving credit	(14.2)	(74.0)	(0.1)	**(88.3)**
Bank loan	-	0.7	(0.7)	**-**
Net funds/(debt) excluding IFRS 16 lease liability	6.3	(72.7)	(0.8)	**(67.2)**
Lease liabilities*	-	4.1	(50.6)	**(46.5)**
Total net funds/(debt)	6.3	(68.6)	(51.4)	**(113.7)**

Net funds/(debt) is defined as cash and cash equivalents and loans receivable less interest-bearing liabilities (including IFRS 16 lease liabilities) net of unamortised issue costs.
** Further details of lease liabilities can be found in Note 2.*

11. Related party transactions

During the period the Group entered into transactions, in the ordinary course of business, with its subsidiaries which are related parties. Balances and transactions with subsidiaries are eliminated on consolidation.

12. Property, plant and equipment

Additions to owned property, plant and equipment during the period totalled £58.9 million (2018: £40.4 million). Future capital expenditure under contract at 30 September 2019 was £26.3 million (2018: £35.4 million).

On 1 April, the Group recognised £40.2 million of right-of-use leased assets on the adoption of IFRS 16. Additions to right-of-use assets in the period totalled £9.9 million including £4.9 million included with the Katsouris acquisition. At 30 September 2019, the Group had signed leases covering £10.6 million right-of-use assets which commence after the balance sheet date.

13. Alternative performance measures

The Board monitors performance principally through adjusted and like-for-like performance measures. Adjusted profit and earnings per share measures exclude certain non-cash items including the net IAS 41 valuation movement on biological assets and amortisation of acquired intangible assets and, where relevant, profit on sale of a business and goodwill impairment charges. Free cash flow is defined as net cash from operating activities less net interest paid and like-for-like revenue is defined as total revenue less revenue from entities acquired during the year.

The Board believes that such alternative measures are useful as they exclude volatile (net IAS 41 valuation movement on biological assets), one-off (impairment of goodwill and profit on sale of a business) and non-cash (amortisation of intangible assets) items which are normally disregarded by investors, analysts and brokers in gaining a clearer understanding of the underlying performance of the Group when making investment and other decisions. Equally, like-for-like revenue provides these same stakeholders with a clearer understanding of the organic sales growth of the business.

A reconciliation to relevant GAAP measures is given below:

Like-for-like revenue

	Half year		Year to 31 March
	2019 £'m	2018 £'m	2019 £'m
Revenue	**770.0**	719.2	1,437.1
Katsouris	**(12.3)**	-	-
Like-for-like revenue	**757.7**	719.2	1,437.1

13. Alternative performance measures (continued)

Adjusted Group operating profit

	Half year		Year to 31 March
	2019	2018	2019
	£'m	£'m	£'m
Group operating profit	**48.4**	42.7	86.8
Net IAS 41 valuation movement on biological assets	**(2.6)**	1.1	2.8
Amortisation of acquired intangible assets	**1.6**	1.1	2.7
Adjusted Group operating profit	**47.4**	44.9	92.3

Adjusted profit before tax

	Half year		Year to 31 March
	2019	2018	2019
	£'m	£'m	£'m
Profit before tax	**47.4**	42.6	86.5
Net IAS 41 valuation movement on biological assets	**(2.6)**	1.1	2.8
Amortisation of acquired intangible assets	**1.6**	1.1	2.7
Adjusted profit before tax	**46.4**	44.8	92.0

Adjusted earnings per share

On adjusted profit for the period:

	Half year				Year to 31 March	
	2019 Basic pence	**2019 Diluted pence**	2018 Basic pence	2018 Diluted pence	2019 Basic pence	2019 Diluted pence
On profit for the period	**73.2**	**73.0**	66.4	66.1	135.5	134.9
Net IAS 41 valuation movement on biological assets	**(5.0)**	**(5.0)**	2.2	2.2	5.4	5.4
Tax on net IAS 41 valuation movement on biological assets	**0.9**	**0.9**	(0.4)	(0.4)	(1.0)	(1.0)
Amortisation of acquired intangible assets	**3.1**	**3.1**	2.2	2.2	5.4	5.4
Tax on amortisation of acquired intangible assets	**(0.6)**	**(0.6)**	(0.4)	(0.4)	(1.0)	(1.0)
On adjusted profit for the period	**71.6**	**71.4**	70.0	69.7	144.3	143.7

Free cash flow

	Half year		Year to 31 March
	2019	2018	2019
	£'m	£'m	£'m
Net cash from operating activities	**40.9**	39.0	87.7
Net interest paid	**(0.2)**	-	(0.4)
Free cash flow	**40.7**	39.0	87.3

Independent review report to Cranswick plc

Report on the Group interim financial information

Our conclusion

We have reviewed Cranswick plc's Group interim financial information (the "interim financial statements") in the interim results of Cranswick plc for the 6 month period ended 30 September 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Group balance sheet as at 30 September 2019;
- the Group income statement and Group statement of comprehensive income for the period then ended;
- the Group statement of cash flows for the period then ended;
- the Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants, Leeds
26 November 2019

a. The maintenance and integrity of the Cranswick plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.
b. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions