24 June 2020

Premier Foods plc (the "Group" or the "Company")

Preliminary results for the 52 weeks ended 28 March 2020

A year of substantial progress:
Now 3 years of Revenue & Trading profit growth, Net debt/EBITDA down to 2.7x, beating previous 3.0x target and transformational pensions agreement signed

Headline results	FY19/20	FY18/19	Change
Revenue (£m)	847.1	824.3	+2.8%
Trading profit[1] (£m)	132.6	128.5	+3.2%
Adjusted earnings per share[7] (pence)	8.9	8.5	+5.4%
Net debt (pre-IFRS 16)[11] (£m)	(408.1)	(469.9)	+£61.8m
Net debt/EBITDA[11]	2.7	3.2	

Other measures	FY19/20	FY18/19	Change (£m)
Operating profit (£m)	95.3	4.5	+90.8
Profit/(Loss) before taxation (£m)	53.6	(42.7)	+96.3
Basic earnings/(loss) per share (pence)	5.5	(4.0)	+9.5p
Net debt[9] (£m)	(429.6)	(469.9)	+40.3

Non-GAAP measures above are defined on page 13 and reconciled to statutory measures throughout
Net debt/EBITDA is EBITDA on an adjusted basis as defined in the appendices

Financial headlines

- Group revenue up +2.8%; Q4 Group revenue up +3.6%
- UK revenue up +4.3%; Q4 UK revenue up +7.3%
- Trading profit increased +3.2% to £132.6m after increased marketing investment
- Adjusted profit before tax up +6.0% to £93.3m; adjusted earnings per share[7] up +5.4% to 8.9p
- Statutory profit before tax £53.6m; profit after tax £46.5m, both reversing prior year losses
- Net debt reduced by £61.8m on pre-IFRS 16 basis to £408.1m
- Net debt/EBITDA[3,11] 2.7x – comfortably beating March 2020 target of 3.0x
- Combined pensions surplus £1,230.4m (30 March 2019: £373.1m)

Strategic & operational headlines

- Strategic review concluded with landmark pensions agreement; legal documentation now agreed and signed
- 11 consecutive quarters of UK revenue growth fuelled by successful innovation strategy
- Significantly increased consumer marketing investment in FY19/20; further increase planned in FY20/21
- Innovation rate increased 70bps to highest level of 6.5% of branded sales
- International business strategy re-set to build sustainable profitable growth
- Repayment of £80m callable at par Floating rate notes in FY20/21 Q1, reducing interest costs by over £4m p.a.

Alex Whitehouse, Chief Executive Officer

"This has been a period of considerable progress for the Company. We recently concluded our strategic review with a landmark pensions agreement which has the potential to significantly reduce future funding requirements for the Group. This year we delivered Trading profit at the top end of market expectations, reduced our Net debt by £62m, and in so doing lowered our Net debt/EBITDA ratio to 2.7x, beating our previous 3.0x target. In the UK, our brands grew ahead of their categories, and our UK business has now delivered 11 consecutive quarters of revenue growth."

"We have now grown Group revenues, Trading profit and adjusted earnings for each of the last three years, driven by our successful branded growth model of delivering insightful new product innovation together with emotionally engaging advertising and building strategic retailer partnerships. A good example of the growth model delivering results is our biggest brand Mr Kipling which two years after a major relaunch achieved its highest ever annual sales. Most of our other major brands also grew revenues in the year and sales of Nissin branded products nearly doubled. Additionally, our cost savings programme is now expected to deliver ahead of its original £5m target over the next two years."

"During the outbreak of COVID-19, food has been identified by the Government as a key industry and we feel privileged to play our part in keeping the nation fed. One of the most prevalent trends we have seen during the lockdown is that Britain has got cooking again, with particularly high levels of demand for items relating to meal preparation, including

cooking sauces, gravy and baking ingredients. The health and wellbeing of all our colleagues has been our top priority and we have introduced a wide range of measures across our locations to safeguard our colleagues as we meet the unprecedented levels of demand we have seen for many of our product ranges. All our manufacturing and distribution sites have remained fully operational throughout this period and I am immensely proud of all our colleagues who have responded to this challenge with great energy and professionalism."

"As we look to the coming financial year, we anticipate making further progress, with increased consumer marketing investment planned. Revenues in the first quarter of FY20/21 are expected to be approximately 20% ahead of the same quarter a year ago reflecting continued strong demand for the Group's product ranges, particularly in our Grocery business. Consequently, we expect to exceed current expectations for FY20/21 Revenue and Trading profit despite incurring some additional operating costs in our supply chain. Our options for cash deployment and capital allocation will improve as a result of expected further Net debt reduction in FY20/21."

Further information

A presentation to investors and analysts will be webcast live today at 9:00am BST.
To register for the webcast follow the link: www.premierfoods.co.uk/investors/investor-centre
A recording of the webcast will be available on the Company's website later in the day.

A conference call for bond investors and analysts will take place today, 24 June 2020, at 1:30pm BST. Dial in details are outlined below:

Telephone:	0800 279 6619 (UK toll free)
	+44 20 7192 8338 (standard international access)
Conference ID:	3337944

A factsheet with highlights of the Preliminary results is available at:
www.premierfoods.co.uk/investors/results-centre

A Premier Foods image gallery is available using the following link:
www.premierfoods.co.uk/media/image-gallery/

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This announcement may contain "forward-looking statements" that are based on estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements are all statements other than statements of historical fact or statements in the present tense, and can be identified by words such as "targets", "aims", "aspires", "assumes", "believes", "estimates", "anticipates", "expects", "intends", "hopes", "may", "would", "should", "could", "will", "plans", "predicts" and "potential", as well as the negatives of these terms and other words of similar meaning. Any forward-looking statements in this announcement are made based upon Premier Foods' estimates, expectations and beliefs concerning future events affecting the Group and subject to a number of known and unknown risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Premier Foods Group's present and future business strategies and the environment in which it will operate, which may prove not to be accurate. Premier Foods cautions that these forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in these forward-looking statements. Undue reliance should, therefore, not be placed on such forward-looking statements. Any forward-looking statements contained in this announcement apply only as at the date of this announcement and are not intended to give any assurance as to future results. Premier Foods will update this announcement as required by applicable law, including the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules, London Stock Exchange and any other applicable law or regulations, but otherwise expressly disclaims any obligation or undertaking to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Financial results

Revenue

Group revenue (£m)	Grocery	Sweet Treats	Group
Branded	514.7	190.9	705.6
Non-branded	96.9	44.6	141.5
Total	**611.6**	**235.5**	**847.1**
% change			
Branded	+3.3%	+5.6%	+3.9%
Non-branded	(1.8%)	(3.9%)	(2.5%)
Total	**+2.4%**	**+3.6%**	**+2.8%**

Group revenue for the 52 weeks ended 28 March 2020 was £847.1m, up +2.8% on the prior year. Branded revenue increased by +3.9% to £705.6m while Non-branded revenue declined (2.5%) to £141.5m. In the fourth quarter of the year, Group revenues accelerated to finish 3.6% higher than the same quarter last year. Within this, the Group's branded revenues increased +5.0% in Q4.

The Group employs a branded growth model strategy which utilises the strength of its market leading brands, to launch insightful new product innovation, supported by emotionally engaging advertising and strategic retail partnerships. In following this strategy, revenues in the UK increased every quarter compared to the equivalent quarters in the prior year. This culminated with growth of +7.3% in the fourth quarter, representing the eleventh consecutive quarter of UK revenue growth. Additionally, the Group saw market share gains in all its categories during the year, and overall, delivered 47 basis points of share growth in the 52 weeks to 28 March 2020.

Grocery

Grocery branded revenues grew +3.3% to £514.7m in the year and increased +5.6% in the fourth quarter. In overall terms, this reflected benefits from the Group's innovation strategy and increased consumer marketing investment in the year. Over the course of the year, the UK Grocery business (i.e. excluding International) grew revenues each quarter and by +4.5% in the full year. Additionally, the Group's grocery categories and brands saw a sharp increase in volumes in the last three weeks of the financial year, as large numbers of consumers in the UK sought to build household stocks of some grocery products during the COVID-19 pandemic.

The vast majority of brands in the Grocery business grew revenues in the year. *Bisto* and *Batchelors*; the largest two brands, delivered revenue growth during FY19/20, with both benefiting from emotionally engaging media advertising and innovation during the year. *Bisto* saw the launch of microwave-ready gravy pots while *Batchelors* extended its very popular range of Super Noodles pots and Pasta 'n' Sauce pots.

Nissin Soba Noodles & *Cup Noodles* continue to grow very strongly, with sales in the year up 88% compared to the prior year. Performance as measured by market share data is equally strong, with the *Nissin* range reaching a 2.9% market share of the Quick Meals, Snacks & Soup category in the 52 weeks ended 28 March 2020. In the narrower Pot Snacks category, the *Nissin* range reached a market share of 5.0% in the same period, making it the leading authentic brand of noodle pots in the UK market.

In cooking sauces, *Sharwood's* and *Loyd Grossman,* delivered increased volumes following recent range reviews with UK retailers and strong product innovation performance. *Loyd Grossman* in particular saw good revenue growth during FY19/20 and both brands saw high levels of demand in the latter half of the fourth quarter, reflecting consumer patterns associated with COVID-19. *Sharwood's* also launched new Rice Pots, a range of convenient curry pots in three flavour variants, building on the success of the pots ranges under the Group's *Batchelors* brand. This is an example of stretching one of the Group's brands into adjacent categories and the Group considers there to be further similar opportunities in the future.

A number of the Group's smaller brands also saw volumes and revenues rise significantly in the fourth quarter as consumer buying patterns changed following the effects of COVID-19. *McDougall's* flour for example saw very marked increases in demand, as more consumers turned to baking at home.

Sales of *Ambrosia* benefitted from increased off-shelf execution with retailers, more favourable weather conditions compared to the prior year in the second quarter and COVID-19 related demand in the fourth quarter.

Sweet Treats

Branded revenues in Sweet Treats grew +5.6% to £190.9m in FY19/20, building on the excellent progress in the prior year. Revenues of *Mr Kipling* increased by 4% at a Group level and to its highest ever annual revenues. The last twelve months have seen *Mr Kipling* benefitting from further TV advertising, and in the second quarter saw the launch of its new 'Signature' range. This new offering of premium cakes includes After Dinner Mint Fancies; Apple, Pear & Custard Crumble Tarts and Chocolate, Caramel & Pecan slices all of which align to one of the Group's key consumer trends of 'indulgence' and targeting evening eating occasions. The second half of the year saw the launch of new mini *Mr Kipling* Mince Pies, Fruit pies and Bakewells. The introduction of these new mini versions of some of *Mr Kipling's* most popular products demonstrates enhanced cake product capability following the significant re-configuration of an existing manufacturing line at its Stoke bakery. This has vastly improved the flexibility of different cake sizes and types and facilitates the development of more new products which closely match consumer trends.

The performance of *Mr Kipling* is a prime example of how the Group's branded growth model strategy is working well. Following the relaunch of *Mr Kipling* in 2018, revenues of the Group's largest brand are 17% higher than they were two years ago.

Cadbury cake revenues were also strong in FY19/20, increasing by nearly 8%. This performance reflected the introduction of new *Cadbury cake* slices and also new Easter ranges including *Cadbury* Crème Egg Choc cakes which supported market share gains in the year.

Collaboration with its retail customers remains a high priority for the Group. Against the backdrop of tightening retailer ranges, the Group has delivered increased distribution of its products across its categories in the year; including benefits from new products launched under the *Mr Kipling* and *Cadbury* cake portfolio.

Also in FY19/20, the Group launched the first products under its new '*Plantastic*' brand. First to market were a range of delicious Flapjacks using plant-based ingredients targeting the growing trend of consumers looking for plant-based and vegan products. In the second half of the year, the Group extended the brand to include Dessert Grain pots with flavours including Strawberry, Raspberry and Mango & Passion Fruit.

International

The International business experienced a disappointing year as revenues fell by (19%). *Mr Kipling* continued to grow in Australia and the USA, due to some new product launches and store listings respectively. Elsewhere, progress was limited.

While the International business did not deliver sales and profit progress in FY19/20, the Group continues to believe a clear opportunity exists for its brands to grow internationally. The Group has reviewed its International strategy and is adopting a new approach to deliver a sustainable profitable business as evidenced in the UK business. A new Head of International has been appointed to lead a fresh new approach. Functional director heads are being replaced with new market heads with a switch of resources from the UK to be present in relevant markets. There will be a change of emphasis underpinned by a strong focus on in-market execution, which involves ensuring the right products, are presented to the consumer at the right price combined with an optimum promotional strategy. Route to market solution will include using the carefully chosen local partners with appropriate capabilities.

Non-branded

In the Grocery business, Non-branded revenue declined (1.8%) in the year while Sweet Treats saw revenue fall by (3.9%) to £44.6m. Grocery saw a fall in revenues at Knighton due to a large contract loss which has since been partially regained. In Sweet Treats, the sales decline was attributed to contract exits from lower margin business in all year round cake ranges partly offset by some contract wins in seasonal cake, although these effects were largely seen in the first half of the year. In H2, revenue trend recovered to grow +7.3%.

In overall terms, the Group's Non-branded business is one which plays an important and supportive role. The principles used are: to deploy low levels of capital investment; support the recovery of manufacturing overheads and apply strict financial hurdles on new contracts.

Trading profit

£m	FY19/20	FY18/19	Change
Divisional contribution[2]			
Grocery	148.2	138.3	7.2%
Sweet Treats	23.7	23.6	0.4%
Total	171.9	161.9	6.2%
Group & corporate costs	(39.3)	(33.4)	(17.7%)
Trading profit	**132.6**	**128.5**	**3.2%**

The Group reported Trading profit of £132.6m in FY19/20, £4.1m ahead of the prior year. Divisional contribution increased by £10.0m to £171.9m while Group & corporate costs were £5.9m higher than FY18/19. The Grocery business was the larger contributor to the progress in Divisional contribution, delivering an increase of £9.9m compared to the prior year. Sweet Treats Divisional contribution was £0.1m higher in the year at £23.7m as strong revenue performances from *Mr Kipling* and *Cadbury* cake due to benefits from the branded growth model were supported by increased consumer marketing investment.

Grocery benefitted from good performances across its branded portfolio as described above flowing through to increased Divisional contribution. This was partly offset by increased consumer marketing investment with *Batchelors, Bisto* and *Oxo* all benefitting from media advertising in the year. Additionally, while Knighton delivered improved margins in the year, the International business encountered a decline in revenues and profits.

In Sweet Treats, Divisional contribution was slightly higher than the prior year as the growth in branded revenues were largely offset by increased marketing costs. In particular, *Mr Kipling* benefitted from increased media investment with further airing of its successful 'Little Thief' campaign.

Consumer marketing investment is expected to increase in FY20/21 with up to six of the Group's largest brands in line to benefit from media advertising in the year, with the continued focus on delivering strong branded revenue growth.

Group & corporate costs increased by £5.9m in FY19/20 to £39.3m due to higher depreciation charges following the adoption of IFRS 16 and higher Group wider management incentive schemes costs, covering a management population of nearly 500 colleagues.

Operating profit

£m	FY19/20	FY18/19	Change
Adjusted EBITDA[3]	**152.5**	**145.5**	**7.0**
Depreciation	(19.9)	(17.0)	(2.9)
Trading profit	**132.6**	**128.5**	**4.1**
Amortisation of intangible assets	(29.4)	(34.4)	5.0
Fair value movements on foreign exchange & derivatives	1.7	(1.3)	3.0
Net interest on pensions and administrative expenses and past service costs	(4.6)	(1.3)	(3.3)
Non-trading items:			
GMP equalisation	-	(41.5)	41.5
Restructuring costs	(4.1)	(16.8)	12.7
Impairment of goodwill & intangible assets	-	(30.6)	30.6
Other non-trading items	(0.9)	1.9	(2.8)

Operating profit	**95.3**	**4.5**	**90.8**

The Group delivered Operating profit of £95.3m in the year, a £90.8m increase on the prior year. The growth was due to a number of factors including: an improved trading performance as described above, the non-repeat of certain non-trading items in the year and lower amortisation of intangible assets.

Amortisation of intangibles was £29.4m in the year, £5.0m lower than the prior year. This follows the full amortisation of certain SAP software modules at the Group's main manufacturing sites during the second half of FY18/19 and brand impairments taken in the prior year. Fair valuation of foreign exchange and derivatives was a gain of £1.7m in the year.

Net interest on pensions and administrative expenses was a charge of £4.6m. Expenses for operating the Group's pension schemes were £10.2m in the period, partly offset by a net interest credit of £9.3m due to an opening surplus of the Group's combined pension schemes. Also included is a non-cash charge of £3.7m which reflects settlement costs associated with enhanced transfer value payments made to certain RHM scheme deferred members.

Non-trading items were £5.0m in FY19/20; an £82.0m reduction on the equivalent period a year ago. In the prior year, the Group also reflected a Guaranteed Minimum Pensions (GMP) equalisation charge of £41.5m and impairment of intangible assets and goodwill of £30.6m. The Group also experienced restructuring costs in FY18/19 associated with the consolidation of the Group's logistics operations to one central location which has since been completed. Restructuring costs incurred in FY19/20 include, advisory costs relating to the Group's strategic review, costs associated with a commercial re-organisation of the Group and costs related to the departure of previous Acting CEO.

Finance costs

£m	FY19/20	FY18/19	Change
Senior secured notes interest	31.0	31.7	0.7
Bank debt interest - net	5.0	5.1	0.1
	36.0	36.8	0.8
Amortisation of debt issuance costs	3.3	3.7	0.4
Net regular interest[5]	**39.3**	**40.5**	**1.2**
Write-off of financing costs & early redemption fees	-	11.3	11.3
Discount unwind	1.3	3.0	1.7
Other finance income	-	(7.6)	(7.6)
Other finance cost	1.1	-	(1.1)
Net finance cost	**41.7**	**47.2**	**5.5**

Net finance cost was £41.7m in the year; a decrease of £5.5m compared to FY18/19. Net regular interest in FY19/20 was £39.3m, a reduction of £1.2m compared to the prior year. Consistent with recent years, the largest component of finance costs in the period was interest due to holders of the Group's senior secured notes, which was £31.0m. The interest on the senior secured notes was £0.7m lower compared to the prior year. This followed a full year benefit of the re-financing in June 2018 of the June 2021 £325m fixed rate notes at a coupon of 6.5% to the October 2023 £300m fixed rate notes at the slightly lower coupon of 6.25%.

Bank debt interest of £5.0m was £0.1m lower in the year due to lower levels of average debt and a lower margin on the revolving credit facility following the refinancing completed in May 2018. Amortisation of debt issuance costs was £3.3m, £0.4m lower than the prior year. As there has been no re-financing of the Group's bank debt or Senior Secured Notes in the year, there was no repeat of the write off of financing fees and early redemption fees incurred last year.

A charge of £1.3m in the period relating to a discount unwind associated with properties held by the Group. In the prior year, a £3.0m discount unwind charge was reflected in reported Net finance cost and due to a movement in discount rates impacting Group provisions. Other finance costs of £1.1m related to non-cash interest costs following the adoption of IFRS 16 – Leases.

Taxation

£m	FY19/20	FY18/19
Profit/(loss) before taxation	53.6	(42.7)
- Tax (charge)/credit at rate of 19.0%	(10.2)	8.2
Tax effect of:		
- Changes in tax rate	4.9	-
- Other items	(1.8)	0.7
Income tax (charge)/credit	**(7.1)**	**8.9**
Net deferred tax liability	184.9	13.5

A tax charge in the year of £7.1m compared to a credit of £8.9m in the prior year. The current year's charge reflects a charge of £10.2m on profit before tax at the rate of 19%. This is partly offset by a credit of £4.9m due to a change in the opening deferred tax balances rate from 17% to 19% following the repeal of the 2016 Finance Act.

A net deferred tax liability at 28 March 2020 of £184.9m is an increase of £171.4m compared to the prior year position. This is substantially due to a charge of £160.6m to other comprehensive income in relation to an increase in the combined surplus of retirement benefit obligations of the Group's pension schemes.

The Group currently retains brought forward losses which it can utilise to offset against future tax liabilities. Due to changes in tax legislation with respect to tax shields, and the expectation of lower pension deficit contribution payments which are allowable for tax, the Group may recommence paying cash tax in low single digit £millions from FY22/23.

Earnings per share

Earnings per share (£m)	FY19/20	FY18/19	Change
Operating profit	95.3	4.5	90.8
Net finance cost	(41.7)	(47.2)	5.5
Profit/(loss) before taxation	**53.6**	**(42.7)**	**96.3**
Taxation	(7.1)	8.9	(16.0)
Profit/(loss) after taxation	46.5	(33.8)	80.3
Average shares in issue	846.6	841.5	5.1m
Basic Earnings/(loss) per share (pence)	**5.5**	**(4.0)**	**9.5**

The Group reported a profit before tax of £53.6m in the year, an increase of £96.3m compared to the prior year. Profit after tax was £46.5m, compared to a loss of £(33.8)m in FY18/19.

Adjusted earnings per share (£m)	FY19/20	FY18/19	Change (%)
Trading profit	132.6	128.5	+3.2%
Less: Net regular interest	(39.3)	(40.5)	+3.1%
Adjusted profit before tax	**93.3**	**88.0**	**+6.0%**
Less: Notional tax (19%)	(17.7)	(16.7)	(6.0%)
Adjusted profit after tax[6]	75.6	71.3	+6.0%
Average shares in issue (millions)	846.6	841.5	+0.6%
Adjusted earnings per share (pence)	**8.9**	**8.5**	**+5.4%**

Adjusted profit before tax increased by 6.0% in FY19/20 to £93.3m, due to both further Trading profit growth in the year and lower net regular interest costs as described above. Adjusted profit after tax also increased by 6.0%, to

£75.6m in the year after deducting a notional 19.0% tax charge of £17.7m. Based on average shares in issue of 846.6 million shares, adjusted earnings per share grew +5.4% to 8.9p.

Free cash flow

£m	**FY19/20**	**FY18/19**
Statutory cash flow statement		
Cash generated from operating activities	85.9	57.7
Cash used in investing activities	(18.0)	(17.7)
Cash generated from/(used in) financing activities	82.2	(35.8)
Net increase in cash & cash equivalents	**150.1**	**4.2**

On a statutory basis, cash generated from operations was £121.5m compared to £80.2m in FY18/19. Cash generated from operating activities was £85.9m after deducting net interest paid of £35.6m. Cash generated from financing activities was £82.2m in FY19/20 versus £(35.8m) cash used in the prior year. This was largely due to the prudent decision by the Group to draw down £85m of its £176.6m committed revolving credit facility in light of events associated with COVID-19.

The Group reported an inflow of Free cash in the period of £65.1m. Trading profit of £132.6m was ahead of the prior year for the reasons outlined above, while depreciation of £19.9m was £2.9m higher as operating leases are now treated as an asset following the adoption of IFRS 16. Other non-cash items of £1.7m was predominantly due to share based payments.

Net interest paid of £35.6m was £5.5m higher than the prior year, but this was due to the later timing of the first interest payment on the Group's £300m fixed rate notes, which were issued in the first half of last year. As with the prior year period, no taxation was paid in the period due to the availability of brought forward losses and capital allowances.

£m	**FY19/20**	**FY18/19**
Trading profit	132.6	128.5
Depreciation	19.9	17.0
Other non-cash items	1.7	2.4
Interest	(35.6)	(30.1)
Pension contributions	(44.7)	(41.9)
Capital expenditure	(18.0)	(17.7)
Working capital & other	14.6	(7.7)
Non-trading items	(6.6)	(18.1)
Proceeds from share issue	1.1	1.4
Sale of property, plant & equipment	0.1	-
Hovis repayment of loan note	-	7.6
Financing fees	-	(12.2)
Free cash flow[10]	**65.1**	**29.2**

Pension contributions in the period were £44.7m; £2.8m higher than 2018/19 due to the previously agreed planned increases in deficit contribution payments to the Premier Foods pension scheme. Pension deficit contributions payments made to the Premier Foods pension schemes of £38.2m were the largest component of cash paid in the year; the balance being expenses connected to administering both the RHM and Premier Foods schemes and government levies. As previously announced, pensions administrative costs in FY20/21 are expected to reduce by £4m to £4-£6m.

Capital expenditure was £18.0m in the period, slightly higher than the prior year. One of the key projects in the year was the completion of a line at its Stoke cake manufacturing site which will provide enhanced and varied product innovation capabilities. In FY20/21, the Group expects to increase its capital expenditure to c.£25m to fund investment in both growth projects supporting the Group's innovation strategy and cost release projects to deliver efficiency savings.

A working capital inflow of £14.6m in the year compared to an outflow of £7.7m in FY18/19. This reflected lower stock holding levels at the year end as the Group experienced higher than expected demand from its retail customers in the final three weeks of the financial year due to impacts associated with COVID-19.

Non-trading items of £6.6m were paid in the year and reflect the cash impact of the final tranche of the Group's logistics transformation programme costs, costs associated with the Group's strategic review and cash outflows relating to the departure of previous senior management. In the prior year the Group received a partial repayment of its loan note and associated interest from Hovis of £7.6m.

Net debt and sources of finance

Net debt at 28 March 2020 was £429.6m, a reduction of £40.3m compared to the previous year, and after including the impact of reflecting IFRS 16 which included £21.5m in reported Net debt which is not in the comparative year. On a pre-IFRS 16 basis, Net debt was £408.1m which represents a reduction of £61.8m compared to the prior year. Free cash inflow in the period was £65.1m and the movement in debt issuance costs was £3.3m.

There were no changes to the Group's lending facilities or its issued Senior Secured Notes in the period. At 28 March 2020, the Group held cash and bank deposits of £177.9m. This included £85m of drawings against the Group's £176.6m committed revolving credit facility.

	£m
Net debt at 30 March 2019	**469.9**
Free cash inflow in year	(65.1)
Movement in debt issuance costs	3.3
Net debt pre-IFRS 16 Leases	**408.1**
IFRS 16 Leases	21.5
Net debt at 28 March 2020	**429.6**
Adjusted EBITDA	152.5
Net debt / EBITDA	**2.82x**
Adjusted EBITDA (pre-IFRS 16)	149.9
Net debt / EBITDA (pre-IFRS 16)	**2.72x**

On a pre-IFRS 16 Leases basis, Net debt / EBITDA was 2.72x, which was comfortably ahead of the Group's target of 3.0x by March 2020. On a reported basis, Net debt / EBITDA was 2.82x. Under the Group's financing documents with its bank lending group, the Company is restricted from making a distribution to shareholders until its Net debt / EBITDA ratio is less than 3.0x. The definition of this ratio is slightly different to the reported ratio, the main difference includes adding back the Group's invoice discounting facility of £30m to Net debt.

Pensions

Following an extensive strategic review which has explored all options available to the Group, on 20 April 2020 the Board announced a landmark agreement with its pension schemes which is transformational for both the Group and its pension scheme members by significantly improving its long standing pension funding situation. In particular, the Board expects this will provide greater funding certainty for Premier Foods pension schemes members by leveraging the strength of the successful RHM pension scheme investment strategy. Alongside the strong progress the Group has delivered through its branded growth model strategy, this new pensions agreement provides the platform for further value creation for all stakeholders. The Group has now agreed and signed legal documentation with the scheme trustees for the merger to be implemented as planned on 30 June 2020.

The IAS 19 pension schemes valuation reported a surplus for the combined RHM and Premier Foods' pension schemes at 28 March 2020 of £1,230.4m, £857.3m higher than 30 March 2019 and equivalent to £1,021.2m net of a deferred tax charge of 17.0%. A deferred tax rate of 19.0% 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. An increase in the RHM surplus of £667.5m to £1,505.3m was a major factor behind the growth in the combined surplus, although the Premier Foods deficit reduced by £189.8m to £274.9m.

IAS 19 Accounting Valuation (£m)	28 March 2020			30 March 2019		
	RHM	Premier Foods	Combined	RHM	Premier Foods	Combined
Assets	4,745.3	774.7	5,520.0	4,333.6	707.1	5,040.7
Liabilities	(3,240.0)	(1,049.6)	(4,289.6)	(3,495.8)	(1,171.8)	(4,667.6)
Surplus/(Deficit)	**1,505.3**	**(274.9)**	**1,230.4**	**837.8**	**(464.7)**	**373.1**
Net of deferred tax (19.0%/17.0%)	1,219.3	(222.7)	996.6	695.4	(385.7)	309.7

Assets in the combined schemes increased by £479.3m to £5,520.0m in the period. RHM scheme assets increased by £411.7m to £4,745.3m while the Premier Foods' schemes assets increased by £67.6m to £774.7m. The increase in assets can largely be attributed to Government bonds which increased by £456.1m in the year, predominantly in the RHM scheme.

Liabilities in the combined schemes decreased by £378.0m in FY19/20 to £4,289.6m. The value of liabilities associated with the RHM scheme were £3,240.0m, a reduction of £255.8m while liabilities in the Premier Foods schemes were £122.2m lower at £1,049.6m. The decrease in the value of liabilities in both schemes is due to lower inflation rate assumptions and a change in mortality rate assumptions. The discount rate assumption was 2.5% at 28 March 2020; five basis points higher than the prior year, which also contributed to the lower valuation of liabilities at this date. Additionally, and as a standard part of the triennial valuation process, scheme membership composition was assessed, reviewing various scheme data such as mortality. Following this review, a reduction in scheme liabilities has been reflected in the position at 28 March 2020.

Combined pensions schemes (£m)	28 March 2020	30 March 2019
Assets		
Equities	**11.5**	179.5
Government bonds	**1,802.6**	1,346.5
Corporate bonds	**25.3**	26.9
Property	**445.2**	436.1
Absolute return products	**1,198.2**	1,342.0
Cash	**32.4**	37.3
Infrastructure funds	**309.8**	255.8
Swaps	**487.1**	498.4
Private equity	**510.1**	446.1
LDI	**268.3**	223.2
Other	**429.5**	248.9
Total Assets	**5,520.0**	5,040.7
Liabilities		
Discount rate	**2.50%**	2.45%
Inflation rate (RPI/CPI)	**2.65%/1.65%**	3.25%/2.15%

The Triennial actuarial valuation of the Group's Pension Schemes as at March and April 2019 (depending on scheme date) has now concluded; the results of these are outlined in the accompanying table and which shows actuarial valuations from 2016 and 2013 as previously disclosed. The scheme valuations for 2016 and 2013 used a discount rate of Gilts +1.0% in valuing scheme liabilities. For the RHM 2019 valuation only, the discount rate used was Gilts +0.5%; all other valuations used a discount rate of Gilts +1.0%.

	Actuarial valuation surplus/(deficit)		
£m	**2019**	**2016**	**2013**
RHM	338	135	(504)
Premier Foods	(552)	(551)	(538)
Irish schemes	0	0	(20)
Combined schemes	**(214)**	**(416)**	**(1,062)**

The net present value of future deficit payments, to the end of the respective recovery periods remains at c.£300-320m. However, following the transformational agreement agreed with the pension Trustees as described above, the net present value of future deficit payments is projected to reduce by up to 45% to £175-185m in future years.

IFRS 16 – Leases

A new accounting standard, IFRS 16 – Leases, came into effect for accounting periods commencing on or after 1 January 2019, replacing the previous standard, IAS 17. Accordingly, the 52 weeks ending 28 March 2020 is the first accounting period that the Group is adopting IFRS 16. As previously stated, the Group has elected to transition to IFRS 16 using the Modified Retrospective Approach, and as such, comparatives will not be re-stated at 28 March 2020. It is important to note that there is no economic or cash impact to the Group as a result of this accounting standard change.

As at 28 March 2020, the increase in leases held on the Group's balance sheet compared to 30 March 2019 was £21.5m following the adoption of IFRS 16. Accordingly, reported Net debt has increased to reflect this change. The Group's depreciation charge has also increased and was £19.9m in the year. It should be noted that in future years, there may be a degree of volatility in the value of assets and liabilities recognised with respect to leases, reflecting the timing of lease renewals and any fluctuations to discount rates.

Executive Leadership Team

The Group restructured its Executive Leadership Team (ELT) during the year to deliver sharper consumer, customer and operational focus. These changes are expected to accelerate the pace and agility of decision making and streamline internal processes and reporting.

With a more functional approach, three new appointments to the ELT were confirmed; Chief Customer Officer, Chief Marketing Officer and Operations Director. Consequently, the leadership structure changed and resulted in the removal of the UK Managing Director and International Managing Director roles; however this does not detract from the Group's aspirations for its International business.

ESG

Healthy eating is a key consumer trend and the top priority of the Group's brand innovation programmes. During the year, the Group hit its target of removing 1000 tonnes of sugar from the nations diet and continued to develop healthier alternatives across the brand portfolio including; *Mr Kipling* 30% reduced sugar lemon slices, 30% reduced sugar *Ambrosia* Custard and Rice puddings, 25% reduced salt *Oxo* cubes and 25% *Bisto* salt reduced gravy pots. Meanwhile *Loyd Grossman* low fat Indian cooking sauces and no added sugar Italian sauces continued to see significant growth.

Following increased focus in the year, the Group increased the recyclability of its plastics packaging by 12 percentage points to 81%. Additionally, it moved up to Tier 2 in the BBFAW's Animal Welfare global ranking and cut its CO_2 emissions by a further 5.1%. One million meals were also redistributed to food waste partner Company Shop in the year.

Outlook

The Group expects to make further progress this year, employing its successful branded growth model which has been instrumental in delivering eleven successive quarters of UK revenue growth. Additionally, a new international strategy is being implemented with the objective of delivering sustainable profitable growth.

The first quarter of FY20/21 has seen particularly strong trading, with Group revenues set to increase approximately 20% compared to the prior year, as it continues to see elevated levels of demand for its Grocery brands during the COVID-19 pandemic. The Group recognises it is at an early stage of its financial year, and that it also remains unclear as to how consumers' eating habits may change as lockdown measures ease over the coming weeks. However, in light of the strong first quarter's trading, the Group expects to exceed current expectations for FY20/21 Revenue and Trading profit, despite the Group incurring some additional operational costs across its supply chain. The Group also expects options for cash deployment and capital allocation will improve as a result of anticipated further Net debt reduction in FY20/21.

Alex Whitehouse
Chief Executive Officer

Duncan Leggett
Chief Financial Officer

Appendices

The Company's preliminary results are presented for the 52 weeks ended 28 March 2020 and the comparative period, 52 weeks ended 30 March 2019. All references to the 'quarter', unless otherwise stated, are for the 13 weeks ended 28 March 2020 and the comparative period, 13 weeks ended 30 March 2019.

Quarter 4 Sales

Q4 Sales (£m)	Grocery	Sweet Treats	Group
Branded	142.5	47.1	189.6
Non-branded	24.0	4.6	28.6
Total	**166.5**	**51.7**	**218.2**
% change			
Branded	+5.6%	+3.5%	+5.0%
Non-branded	(6.1%)	(1.2%)	(5.3%)
Total	**+3.7%**	**+3.0%**	**+3.6%**

Notes and definitions of non-GAAP measures

The Company uses a number of non-GAAP measures to measure and assess the financial performance of the business. The Directors believe that these non-GAAP measures assist in providing additional useful information on the underlying trends, performance and position of the Group. These non-GAAP 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, fair value movements on foreign exchange and other derivative contracts, net interest on pensions and administration expenses and past service costs.
2. Divisional contribution refers to Gross Profit less selling, distribution and marketing expenses directly attributable to the relevant business unit.
3. Adjusted EBITDA is Trading profit as defined in (1) above excluding depreciation.
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, other finance income, early redemption fee, fair value movements on interest rate financial instruments and other interest payable.
6. Adjusted profit after tax is Adjusted profit before tax as defined in (4) above less a notional tax charge of 19.0% (2018/19: 19.0%).
7. Adjusted earnings per share is Adjusted profit after tax as defined in (6) above divided by the weighted average of the number of shares of 846.6 million (52 weeks ended 30 March 2019: 841.5 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.
9. Net debt is defined as total borrowings, less cash and cash equivalents and less capitalised debt issuance costs.
10. Free cash flow is defined as the change in Net debt as defined in (9) above before the movement in debt issuance costs.
11. Net debt on a pre-IFRS 16 basis.
12. Assumptions on future deficit contributions subject to: (i) Investment returns of RHM scheme; (ii) no change to deficit recovery period length. Also subject to future actuarial valuations and associated negotiations.

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 asset amortisation and impairment are excluded from Trading profit because they are non-cash items.
- Restructuring costs 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 business unit and are reported at total Group level.
- In line with accounting standards, the International and Knighton business units, the results of which are aggregated within the Grocery business unit, are not required to be separately disclosed for reporting purposes.

Consolidated statement of profit or loss

	Note	**52 weeks ended 28 Mar 2020 £m**	52 weeks ended 30 Mar 2019 £m
Revenue	3	**847.1**	824.3
Cost of sales		**(549.6)**	(542.6)
Gross profit		**297.5**	281.7
Selling, marketing and distribution costs		**(125.6)**	(119.8)
Administrative costs		**(76.6)**	(157.4)
Operating profit	3	**95.3**	4.5
Finance cost	4	**(44.1)**	(56.7)
Finance income	4	**2.4**	9.5
Profit/(loss) before taxation		**53.6**	(42.7)
Taxation (charge)/credit	5	**(7.1)**	8.9
Profit/(loss) for the period attributable to owners of the parent		**46.5**	(33.8)
Basic earnings/(loss) per share			
From profit/(loss) for the period (pence)	6	**5.5**	(4.0)
Diluted earnings/(loss) per share			
From profit/(loss) for the period (pence)	6	**5.4**	(4.0)
Adjusted earnings per share[1]			
From adjusted profit for the period (pence)	6	**8.9**	8.5

[1] Adjusted earnings per share is defined as trading profit less net regular interest, less a notional tax charge at 19.0% (2018/19: 19.0%) divided by the weighted average number of ordinary shares of the Company.

Consolidated statement of comprehensive income

	Note	**52 weeks ended 28 Mar 2020 £m**	52 weeks ended 30 Mar 2019 £m
Profit/(loss) for the period		**46.5**	(33.8)
Other comprehensive income, net of tax			
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit schemes	9	**816.7**	53.2
Deferred tax charge	5	**(167.0)**	(9.1)
Current tax credit	5	**5.2**	-
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation		**0.3**	(0.2)
Other comprehensive income, net of tax		**655.2**	43.9
Total comprehensive income attributable to owners of the parent		**701.7**	10.1

Consolidated balance sheet

	Note	**As at 28 Mar 2020 £m**	As at 30 Mar 2019 £m
ASSETS:			
Non-current assets			
Property, plant and equipment	7	**194.0**	186.0
Goodwill		**646.0**	646.0
Other intangible assets	8	**341.3**	366.4
Net retirement benefit assets	9	**1,512.6**	837.8
		2,693.9	2,036.2
Current assets			
Inventories		**68.0**	77.8
Trade and other receivables		**89.1**	89.2
Cash and cash equivalents	10	**177.9**	27.8
Derivative financial instruments		**0.9**	-
		335.9	194.8
Total assets		**3,029.8**	2,231.0
LIABILITIES:			
Current liabilities			
Trade and other payables		**(249.7)**	(238.0)
Financial liabilities			
– short term borrowings	11	**(85.0)**	-
– derivative financial instruments		**(0.8)**	(1.6)
– IFRS 16 lease liability	11	**(2.5)**	-
Provisions for liabilities and charges	12	**(6.4)**	(9.7)
		(344.4)	(249.3)
Non-current liabilities			
Financial liabilities			
– IFRS 16 lease liability	11	**(19.0)**	-
– long term borrowings	11	**(501.0)**	(497.7)
Net retirement benefit obligations	9	**(282.2)**	(464.7)
Provisions for liabilities and charges	12	**(9.6)**	(32.4)
Deferred tax liabilities	5	**(184.9)**	(13.5)
Other liabilities	13	**(8.7)**	(10.6)
		(1,005.4)	(1,018.9)
Total liabilities		**(1,349.8)**	(1,268.2)
Net assets		**1,680.0**	962.8
EQUITY:			
Capital and reserves			
Share capital		**84.8**	84.5
Share premium		**1,409.4**	1,408.6
Merger reserve		**351.7**	351.7
Other reserves		**(9.3)**	(9.3)
Profit and loss reserve		**(156.6)**	(872.7)
Total equity		**1,680.0**	962.8

Consolidated statement of cash flows

	Note	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Cash generated from operations	10	**121.5**	80.2
Interest paid		**(38.0)**	(32.0)
Interest received		**2.4**	1.9
Other finance income		**-**	7.6
Cash generated from operating activities		**85.9**	57.7
Purchases of property, plant and equipment		**(12.8)**	(14.3)
Purchases of intangible assets		**(5.3)**	(3.4)
Sale of property, plant and equipment		**0.1**	-
Cash used in investing activities		**(18.0)**	(17.7)
Repayment of borrowings		**-**	(325.0)
Proceeds from borrowings		**85.0**	300.0
Payment of lease liabilities		**(3.9)**	-
Financing fees		**-**	(12.2)
Proceeds from share issue		**1.1**	1.4
Cash generated from / (used in) financing activities		**82.2**	(35.8)
Net increase in cash and cash equivalents		**150.1**	4.2
Cash, cash equivalents and bank overdrafts at beginning of period		**27.8**	23.6
Cash, cash equivalents and bank overdrafts at end of period	10	**177.9**	27.8

Consolidated statement of changes in equity

	Note	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Profit and loss reserve £m	Total equity £m
At 1 April 2018		84.1	1,407.6	351.7	(9.3)	(884.8)	949.3
Loss for the period		-	-	-	-	(33.8)	(33.8)
Remeasurements of defined benefit schemes	9	-	-	-	-	53.2	53.2
Deferred tax charge	5	-	-	-	-	(9.1)	(9.1)
Exchange differences on translation		-	-	-	-	(0.2)	(0.2)
Other comprehensive income		-	-	-	-	43.9	43.9
Total comprehensive income		-	-	-	-	10.1	10.1
Shares issued		0.4	1.0	-	-	-	1.4
Share-based payments		-	-	-	-	2.1	2.1
Deferred tax movements on share-based payments		-	-	-	-	(0.1)	(0.1)
Movement in non-controlling interest		-	-	-	-	-	-
At 30 March 2019		84.5	1,408.6	351.7	(9.3)	(872.7)	962.8
At 31 March 2019		**84.5**	**1,408.6**	**351.7**	**(9.3)**	**(872.7)**	**962.8**
Implementation of IFRS 16 (net of tax)		**-**	**-**	**-**	**-**	**12.7**	**12.7**
Adjusted balance at 31 March 2019		**84.5**	**1,408.6**	**351.7**	**(9.3)**	**(860.0)**	**975.5**
Profit for the period		**-**	**-**	**-**	**-**	**46.5**	**46.5**
Remeasurements of defined benefit schemes	9	**-**	**-**	**-**	**-**	**816.7**	**816.7**
Deferred tax charge	5	**-**	**-**	**-**	**-**	**(167.0)**	**(167.0)**
Current tax credit	5					**5.2**	**5.2**
Exchange differences on translation		**-**	**-**	**-**	**-**	**0.3**	**0.3**
Other comprehensive income		**-**	**-**	**-**	**-**	**655.2**	**655.2**
Total comprehensive income		**-**	**-**	**-**	**-**	**701.7**	**701.7**
Shares issued		**0.3**	**0.8**	**-**	**-**	**-**	**1.1**
Share-based payments		**-**	**-**	**-**	**-**	**1.3**	**1.3**
Deferred tax movements on share-based payments		**-**	**-**	**-**	**-**	**0.5**	**0.5**
Other deferred tax movements		**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**
At 28 March 2020		**84.8**	**1,409.4**	**351.7**	**(9.3)**	**(156.6)**	**1,680.0**

1. General information

The financial information included in this preliminary announcement does not constitute the Company's statutory accounts for the 52 weeks ended 28 March 2020 and 30 March 2019, but is derived from those accounts. Statutory accounts for the 52 weeks ended 30 March 2019 have been delivered to the registrar of companies, and those for 52 weeks ended 28 March 2020 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention to by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) ("adopted IFRS") in response to IAS regulation (EC1606/2002), related interpretations and the Companies Act 2006 applicable to companies reporting under IFRS, and on the historical cost basis, with the exception of derivative financial instruments which are incorporated using fair value.

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 11. 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 28 September 2019 and 28 March 2020.

Having undertaken a robust assessment of the Group's forecasts with specific consideration to the trading performance of the Group in the context of the current COVID-19 pandemic, and nothwithstanding the net current liabilities position of the Group, the directors have reasonable expectation that the Group is able to operate within the level of its current facilities including covenant tests and has adequate resources to continue in operational existence for the next 12 months. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements for the reasons set out below:

At 28 March 2020, the Group had total assets less current liabilities of £2,685.4m and net assets of £1,680.0m. Liquidity as at that date was £269.5m, made up of cash and cash equivalents, and undrawn committed credit facilities of £91.6m.

To date the Group has experienced no net adverse impact of the COVID-19 pandemic with elevated levels of demand seen. During the outbreak of COVID-19, the Group's first priority is the health and wellbeing of its colleagues, customers and other stakeholders. Nevertheless, the full impact of the COVID-19 outbreak is unknown at this time and the Group takes its responsibility as a major UK food manufacturer very seriously, working closely with its customers to ensure maximum availability of its product ranges for consumers.

Accordingly, the Directors have rigorously reviewed the evolving situation relating to COVID-19 and have modelled a series of 'downside case' scenarios that cover the next 12 months. These downside cases represent increasingly severe but plausible scenarios and include assumptions relating to estimation of the impact of the closure of all manufacturing sites for a period of 8 weeks.

Whilst these downside scenarios are severe but plausible, each is considered by the Directors to be extremely prudent, having an adverse impact on Revenue, margin and cash flow. These scenarios are considered a stress test of the Group's ability to adopt the going concern basis. The Directors, in response, have identified mitigating actions that would reduce costs, optimising cashflow and liquidity. Amongst these are the following actions: reducing capital expenditure, reducing marketing spend and delaying or cancelling discretionary spend.

The Group operates in the Food Manufacturing industry, considered an essential during the current pandemic, and whilst uncertainty exists in respect of the potential impact of COVID-19, more meals are being eaten at home than usual due to recent measures set out by HM Government and hence increased demand for the Group's product ranges. If outcomes are unexpectedly significantly worse, the Directors would need to consider what additional mitigating actions were needed. Consequently, the Directors have concluded that to stress test a level of increased severity beyond these scenarios that may create circumstances that represent a material uncertainty and which may cast significant doubt about the Group's ability to continue as a going concern, is not currently reasonable.

The Directors, after reviewing financial forecasts and financing arrangements, consider that the Group has adequate resources at the date of approval of this report. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing its consolidated financial statements.

2. Critical accounting policies, estimates and judgements

The following are areas of particular significance to the Group's financial statements and may include the use of estimates, which is fundamental to the compilation of a set of financial statements. Results may differ from actual amounts.

Critical accounting policies

The following are considered to be the critical accounting policies within the financial statements:

2.1 Deferred tax

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The Group has a significant loss related to prior periods. The deferred tax assets and liabilities on a gross basis are material to the financial statements.

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.

For the purpose of recognising deferred tax on the pension scheme surplus, withholding tax (at 35%) would apply for any surplus being refunded to the Group at the end of the life of the scheme. Corporation tax (at 19%) would apply for any surplus expected to unwind over the life of the scheme.

The directors have concluded that the corporation tax rate 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.

When calculating the value of the deferred tax asset or liability, consideration is given to the size of gross deferred tax liabilities and deferred tax assets available to offset this. To the extent that deferred tax assets exceed liabilities, estimation is required around the level of asset that can be supported. The following factors are taken into consideration.

- 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 are contained within note 4.

Estimates

The following are considered to be the key estimates within the financial statements:

2.2 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 9.

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 statements are not available at the reporting date a roll forward of cash transactions between statement date and balance sheet date is performed.

At the reporting date, the property asset class carried an uncertainty clause over the valuation performed by independent valuers of the property funds. This reflects the difficulty in assigning a value to the underlying properties held by the respective funds due to the current economic environment caused by COVID-19.

The inclusion of the 'uncertainty' clause does not invalidate the valuation, nor does it mean that the valuation cannot be relied upon. The declaration has been included in the investment manager's valuation report as a precaution to ensure transparency of the fact that less certainty can be attached to the valuation than would otherwise be the case under normal market conditions.

Management has reviewed the asset values that make up the property asset class, to ensure the values appropriately reflect current market conditions, recognising that there is short term volatility driven by the current market conditions.

2.3 Goodwill

Impairment reviews in respect of goodwill are performed annually unless an event indicates that an impairment review is necessary. 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. The assumptions impacted by any uncertainty are revenue and divisional contribution growth, long term growth rates and discount rates.

For further details see note 8.

2.4 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.

Judgements

The following are considered to be the key judgements within the financial statements:

2.5 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.

3. 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", "International" and "Knighton". The Grocery segment primarily sells savoury ambient food products and the Sweet Treats segment sells sweet ambient food products. The International and Knighton segments have been aggregated within the Grocery segment for reporting purposes as revenue is below 10 percent of the Group's total revenue and the segments are considered to have similar characteristics to that of Grocery. This is in accordance with the criteria set out in IFRS 8.

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 profit/loss before tax before net finance costs, amortisation of intangible assets, non-trading items, fair value movements on foreign exchange and other derivative contracts and net interest on pensions, administrative expenses and past service costs.

The segment results for the period ended 28 March 2020 and for the period ended 30 March 2019 and the reconciliation of the segment measures to the respective statutory items included in the consolidated financial statements are as follows:

	52 weeks ended 28 March 2020			52 weeks ended 30 March 2019		
	Grocery	**Sweet Treats**	**Total**	Grocery	Sweet Treats	Total
	£m	**£m**	**£m**	£m	£m	£m
Revenue	**611.6**	**235.5**	**847.1**	597.0	227.3	824.3
Divisional contribution	**148.2**	**23.7**	**171.9**	138.3	23.6	161.9
Group and corporate costs			**(39.3)**			(33.4)
Trading profit			**132.6**			128.5
Amortisation of intangible assets			**(29.4)**			(34.4)
Fair value movements on foreign exchange and other derivative contracts			**1.7**			(1.3)
Net interest on pensions and administrative expenses and past service costs			**(4.6)**			(1.3)
Non-trading items:[1]						
- GMP equalisation charge			**-**			(41.5)
- Restructuring costs			**(4.1)**			(16.8)
- Impairment of intangible assets and goodwill			**-**			(30.6)
- Other non-trading items			**(0.9)**			1.9
Operating profit			**95.3**			4.5
Finance cost			**(44.1)**			(56.7)
Finance income[2]			**2.4**			9.5
Profit/(loss) before taxation			**53.6**			(42.7)
Depreciation[3]	**(11.1)**	**(8.8)**	**(19.9)**	(9.0)	(8.0)	(17.0)

[1]Non-trading items include restructuring costs of £4.1m (2018/19: £16.8m) relating primarily to costs associated with the Strategic review and restructuring of the International segment

[2]Finance income in the prior year includes reversal of the impairment of the Hovis loan note, driven by the receipt of £7.6m from Hovis.

[3]Depreciation in the period ended 28 March 2020 includes £2.6m (2018/19: £nil) of depreciation of IFRS 16 right of use assets.

Revenues in the period ended 28 March 2020, from the Group's four principal customers, which individually represent over 10% of total Group revenue, are £190.6m, £125.9m, £95.2m and £84.8m (2018/2019: £184.8m, £119.6m, £90.2m and £86.2m). 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.

Revenue

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
United Kingdom	**803.8**	770.8
Other Europe	**22.0**	26.1
Rest of world	**21.3**	27.4
Total	**847.1**	824.3

Non-current assets

	As at 28 Mar 2020 £m	As at 30 Mar 2019 £m
United Kingdom	**2,693.9**	2,036.2

4. Finance income and costs

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Interest payable on bank loans and overdrafts	**(7.2)**	(6.2)
Interest payable on senior secured notes	**(31.0)**	(31.7)
Interest payable on revolving facility	**(0.2)**	(0.8)
Other interest payable[1]	**(2.4)**	(3.0)
Amortisation of debt issuance costs	**(3.3)**	(3.7)
	(44.1)	(45.4)
Write off of financing costs[2]	**-**	(5.7)
Early redemption fee[3]	**-**	(5.6)
Total finance cost	**(44.1)**	(56.7)
Interest receivable on bank deposits	**2.4**	1.9
Other finance income[4]	**-**	7.6
Total finance income	**2.4**	9.5
Net finance cost	**(41.7)**	(47.2)

[1]Included in other interest payable is £1.1m charge (2018/19: £nil) relating to non-cash interest costs arising following the adoption of IFRS 16 and £1.3m charge (2018/19: £3.0m charge) relating to the unwind of the discount on certain of the Group's long term provisions.

[2] Relates to the refinancing of the senior secured fixed rate notes due 2021 and revolving credit facility in the prior period.

[3] Relates to a non-recurring payment arising on the early redemption of the £325m senior secured fixed rate notes due 2021 as part of the refinancing of the Group's debt in the prior period.

[4] Relates to partial reversal of the impairment of the Hovis loan note in the prior period, driven by the receipt of £7.6m from Hovis.

5. Taxation

Current tax

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Current tax		
- Current period	**(5.2)**	-
Overseas current tax		
- Current period	**-**	1.1
Deferred tax		
- Current period	**(6.3)**	6.1
- Prior periods	**(0.5)**	1.7
- Changes in tax rate	**4.9**	-
Income tax (charge)/credit	**(7.1)**	8.9

As a result of the 2015 Finance Act provision to reduce the UK corporation tax rate from 20% to 19% from 1 April 2017, the applicable rate of corporation tax for the period is 19%. As a result of the 2016 Finance Act provision to reduce the UK corporation tax rate to 17% from 1 April 2020, deferred tax balances have been stated at 17%, the rate at which they are expected to reverse.

Tax relating to items recorded in other comprehensive income included:

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Corporation tax credit on pension movements	**5.2**	-
Deferred tax charge on reduction of corporate tax rate	**(6.4)**	-
Deferred tax credit on losses	**-**	1.1
Deferred tax charge on pension movements	**(160.6)**	(10.2)
	(161.8)	(9.1)

The tax charge for the period differs from the standard rate of corporation tax in the United Kingdom of 19.0% (2018/19: 19.0%). The reasons for this are explained below:

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Profit/(loss) before taxation	**53.6**	(42.7)
Tax (charge)/credit at the domestic income tax rate of 19.0% (2018/19: 19.0%)	**(10.2)**	8.2
Tax effect of:		
Non-deductible items	**(0.6)**	(1.3)
Other disallowable items	**(0.4)**	-
Adjustment due to current period deferred tax being provided at 19.0% (2018/19: 17.0%)	**-**	(0.8)
Overseas losses not recognised	**(0.3)**	-
Changes in tax rate	**4.9**	-
Adjustments to prior periods	**(0.5)**	1.7
Current tax relating to overseas business	-	1.1
Income tax (charge)/credit	**(7.1)**	8.9

The adjustments to prior periods of £(0.5)m (2018/19: £1.7m) relates mainly to the adjustment of prior period losses and capital allowances following verifications in submitted returns.

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. In all cases this is 19.0% (2018/19: 17.0%).

	2019/20 £m	2018/19 £m
At 31 March 2019 / 1 April 2018	**(13.5)**	(12.1)
Implementation of IFRS 16	**(2.9)**	-
Adjusted balance at 31 March 2019 / 1 April 2018	**(16.4)**	(12.1)
(Charged)/credited to the statement of profit or loss	**(1.9)**	7.8
Charged to other comprehensive income	**(167.0)**	(9.1)
Credited/(charged) to equity	**0.4**	(0.1)
At 28 March 2020 / 30 March 2019	**(184.9)**	(13.5)

The Group has not recognised £1.9m of deferred tax assets (2018/19: £3.0m not recognised) relating to UK corporation tax losses. In addition, the Group has not recognised a tax asset of £38.8m (2018/19: £34.8m) relating to ACT and £47.5m (2018/19: £41.3m) relating to capital losses. Under current legislation these can generally be carried forward indefinitely.

Deferred tax liabilities	**Intangibles £m**	**Retirement benefit obligation £m**	**IFRS 16 £m**	**Other £m**	**Total £m**
At 1 April 2018	(54.2)	(53.8)	-	(0.2)	(108.2)
Current period credit	6.7	1.5	-	-	8.2
Charged to other comprehensive income	-	(10.2)	-	-	(10.2)
Prior period charge					
- To statement of profit or loss	(0.1)	-	-	(0.8)	(0.9)
At 30 March 2019	**(47.6)**	**(62.5)**	-	**(1.0)**	**(111.1)**
At 31 March 2019	**(47.6)**	**(62.5)**	-	**(1.0)**	**111.1)**
- implementation of IFRS 16	-	-	**(2.9)**	-	**(2.9)**
Adjusted balance at 31 March 2019	**(47.6)**	**(62.5)**	**(2.9)**	**(1.0)**	**(114.0)**
Prior period (charge)/credit					
- To statement of profit or loss	**(5.6)**	**0.6**	-	**1.0**	**(4.0)**
- To other comprehensive income	-	**(8.0)**	-	-	**(8.0)**
Current period credit/(charge)	**1.2**	**(2.3)**	-	-	**(1.1)**
Charged to other comprehensive income	-	**(160.6)**	-	-	**(160.6)**
Prior period credit					
- To other comprehensive income	**-**	**0.1**	-	-	**0.1**
At 28 March 2020	**(52.0)**	**(232.7)**	**(2.9)**	-	**(287.6)**

Deferred tax assets	Accelerated tax depreciation	Share based payments	Losses	Other	Total
	£m	£m	£m	£m	£m
At 1 April 2018	48.3	1.0	42.6	4.2	96.1
Current period credit/(charge)	1.3	-	(1.8)	(1.6)	(2.1)
Credited to other comprehensive income	-	-	1.1	-	1.1
Charged to equity	-	(0.1)	-	-	(0.1)
Prior period credit/(charge)					
- To statement of profit or loss	3.1	-	(0.9)	0.4	2.6
At 30 March 2019	**52.7**	**0.9**	**41.0**	**3.0**	**97.6**
At 31 March 2019	**52.7**	**0.9**	**41.0**	**3.0**	**97.6**
Prior period credit/(charge)					
- To statement of profit or loss	**6.2**	**0.2**	**3.2**	**(0.7)**	**8.9**
- To other comprehensive income	-	-	**1.6**	-	**1.6**
- To equity	-	-	-	**(0.1)**	**(0.1)**
Current period (charge)/credit	**(2.2)**	**(0.2)**	**(0.9)**	**(1.9)**	**(5.2)**
Credited to equity	-	**0.7**	-	-	**0.7**
Credit to other comprehensive income	-	-	-	**(0.1)**	**(0.1)**
Prior period (charge)/credit:					
- To statement of profit or loss	-	**(1.3)**	**1.0**	**(0.2)**	**(0.5)**
- To equity	-	**(0.2)**	-	-	**(0.2)**
At 28 March 2020	**56.7**	**0.1**	**45.9**	**-**	**102.7**

Net deferred tax liability	£m
As at 28 March 2020	**(184.9)**
As at 30 March 2019	(13.5)

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 and therefore they have 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.

6. Earnings/(loss) per share

Basic earnings/(loss) per share has been calculated by dividing the profit attributable to owners of the parent of £46.5m (2018/19: £33.8m loss) by the weighted average number of ordinary shares of the Company.

Weighted average shares

	2019/20 Number (m)	2018/19 Number (m)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**846.6**	841.5
Effect of dilutive potential ordinary shares:		
- Share options	**7.9**	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**854.5**	841.5

Earnings/(loss) per share calculation

	52 weeks ended 28 March 2020			52 weeks ended 30 March 2019		
	Basic	**Dilutive effect of share options**	**Diluted**	Basic	Dilutive effect of share options	Diluted
Profit/(loss) after tax (£m)	**46.5**		**46.5**	(33.8)		(33.8)
Weighted average number of shares (m)	**846.6**	**7.9**	**854.5**	841.5	-	841.5
Earnings/(loss) per share (pence)	**5.5**	**(0.1)**	**5.4**	(4.0)	-	(4.0)

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.

There is no dilutive effect of share options calculated in the prior period as the Group made a loss.

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 19.0% (2018/19: 19.0%) divided by the weighted average number of ordinary shares of the Company.

Net regular interest is defined as net finance costs after excluding write-off of financing costs, other finance income, early redemption fee, the fair value movements on interest rate financial instruments and other interest payable.

Trading profit and Adjusted EPS have been reported as the directors believe these assist in providing additional useful information on the underlying trends, performance and position of the Group.

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Trading profit	**132.6**	128.5
Less net regular interest	**(39.3)**	(40.5)
Adjusted profit before tax	**93.3**	88.0
Notional tax at 19.0% (2018/19: 19%)	**(17.7)**	(16.7)
Adjusted profit after tax	**75.6**	71.3
Average shares in issue (m)	**846.6**	841.5
Adjusted EPS (pence)	**8.9**	8.5
Dilutive effect of share options	**(0.1)**	-
Diluted adjusted EPS (pence)	**8.8**	8.5

Net regular interest		
Net finance cost	**(41.7)**	(47.2)
Exclude other finance income	**-**	(7.6)
Exclude write-off of financing costs	**-**	5.7
Exclude early redemption fee	**-**	5.6
Exclude other interest payable	**2.4**	3.0
Net regular interest	**(39.3)**	(40.5)

7. Property, plant and equipment

	Land and buildings	Vehicles, plant and equipment	Assets under construction	Right of use Assets	Total
	£m	£m	£m	£m	£m
Cost					
At 31 March 2018	105.0	291.8	11.0	-	407.8
Additions	0.2	9.3	8.6	-	18.1
Disposals	(0.6)	(0.2)	-	-	(0.8)
Transferred into use	0.3	8.8	(9.1)	-	0.0
At 30 March 2019	**104.9**	**309.7**	**10.5**	**-**	**425.1**
Balance at 31 March 2019	**104.9**	**309.7**	**10.5**	**-**	**425.1**
Adjustment on transition to IFRS 16	**-**	**-**	**-**	**14.0**	**14.0**
Additions	**0.1**	**7.5**	**5.9**	**0.6**	**14.1**
Disposals	**(0.6)**	**(3.7)**	**-**	**(0.4)**	**(4.7)**
Reclassification of cost	**(2.4)**	**2.4**	**-**	**-**	**-**
Transferred into use	**-**	**7.1**	**(7.1)**	**-**	**-**
At 28 March 2020	**102.0**	**323.0**	**9.3**	**14.2**	**448.5**
Aggregate depreciation and impairment					
At 31 March 2018	(41.4)	(181.2)	-	-	(222.6)
Depreciation charge	(2.7)	(14.3)	-	-	(17.0)
Disposals	0.3	0.2	-	-	0.5
At 30 March 2019	**(43.8)**	**(195.3)**	**-**	**-**	**(239.1)**
Depreciation charge	**(2.1)**	**(15.2)**	**-**	**(2.6)**	**(19.9)**
Disposals	**0.5**	**3.4**	**-**	**0.4**	**4.3**
Reclassification of depreciation	**1.0**	**(0.6)**	**-**	**-**	**0.4**
Impairment charge	**-**	**-**	**-**	**(0.2)**	**(0.2)**
At 28 March 2020	**(44.4)**	**(207.7)**	**-**	**(2.4)**	**(254.5)**
Net book value					
At 30 March 2019	61.1	114.4	10.5	**-**	186.0
At 28 March 2020	**57.6**	**115.3**	**9.3**	**11.8**	**194.0**

The Group’s borrowings are secured on the assets of the Group including property, plant and equipment.

Included in the right of use asset recognised on transition to IFRS 16 on 31 March 2019 are the following:

	Land and buildings	Vehicles, plant and equipment	Total
	£m	£m	£m
Cost			
At 30 March 2019	-	-	-
Adjustment on transition to IFRS 16	10.1	3.9	14.0
Additions	0.3	0.3	0.6
Disposals	(0.1)	(0.3)	(0.4)
At 28 March 2020	**10.3**	**3.9**	**14.2**
Aggregate depreciation and impairment			
At 30 March 2019	-	-	-
Depreciation charge	(1.2)	(1.4)	(2.6)
Disposals	0.1	0.3	0.4
Impairment charge	(0.2)	-	(0.2)
At 28 March 2020	**(1.3)**	**(1.1)**	**(2.4)**
Net book value			
At 30 March 2019	-	-	-
At 28 March 2020	**9.0**	**2.8**	**11.8**

8. Other intangibles

	Software	Brands/ trademarks/ licences	Customer relationships	Assets under construction	Total
	£m	£m	£m	£m	£m
Cost					
At 31 March 2018	138.6	693.2	134.8	1.3	967.9
Additions	1.7	-	-	1.3	3.0
Transferred into use	0.7	-	-	(0.7)	-
At 30 March 2019	**141.0**	**693.2**	**134.8**	**1.9**	**970.9**
Additions	**1.6**	**-**	**-**	**3.1**	**4.7**
Disposals	**(0.2)**	**-**	**-**	**-**	**(0.2)**
Transferred into use	**1.7**	**-**	**-**	**(1.7)**	**-**
At 28 March 2020	**144.1**	**693.2**	**134.8**	**3.3**	**975.4**
Accumulated amortisation and impairment					
At 31 March 2018	(108.6)	(296.1)	(134.8)	-	(539.5)
Amortisation charge	(11.4)	(23.0)	-	-	(34.4)
Impairment charge	-	(30.6)	-	-	(30.6)
At 30 March 2019	**(120.0)**	**(349.7)**	**(134.8)**	**-**	**(604.5)**
Disposals	**0.2**	**-**	**-**	**-**	**0.2**
Amortisation charge	**(8.6)**	**(20.8)**	**-**	**-**	**(29.4)**
Reclassification of amortisation	**(0.4)**	**-**	**-**	**-**	**(0.4)**
At 28 March 2020	**(128.8)**	**(370.5)**	**(134.8)**	**-**	**(634.1)**
Net book value					
At 30 March 2019	21.0	343.5	-	1.9	366.4
At 28 March 2020	**15.3**	**322.7**	**-**	**3.3**	**341.3**

All amortisation is recognised within administrative costs.

Included in the assets under construction additions for the period are £1.1m (2018/19: £1.1m) in respect of internal 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 28 March 2020 £m	Estimated useful life remaining Years
Bisto	101.8	17
Oxo	72.4	27
Batchelors	52.8	17
Mr Kipling	39.5	17
Sharwoods	22.1	17

Intangible assets impairment charge

The intangible asset impairment in the prior period related to two brands, *Sharwood’s*: £27.5m, and *Saxa*: £3.1m. The impairments reflected management’s latest assessment of brand value following a strategic review of the Group’s brands and a re-evaluation of the assumptions which underpinned the valuation.

9. 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. These are as follows:

(a) The Premier schemes, which comprise:

Premier Foods Pension Scheme (“PFPS”)
Premier Grocery Products Pension Scheme (“PGPPS”)
Premier Grocery Products Ireland Pension Scheme (“PGPIPS”)
Chivers 1987 Pension Scheme
Chivers 1987 Supplementary Pension Scheme
Hillsdown Holdings Limited Pension Scheme[1]

[1]Hillsdown Holdings Limited Pension Scheme has transferred in during the year, this scheme has previously been excluded from the Group’s IAS 19 results on the basis of materiality.

(b) The RHM schemes, which comprise:

RHM Pension Scheme
Premier Foods Ireland Pension Scheme

The triennial actuarial valuations of the PFPS, the PGPPS and the RHM pension scheme for 31 March 2019 / 5 April 2019 have been concluded and the Group has signed all implementation documentation. Deficit recovery plans have been agreed with the Trustees of each of the PFPS and PGPPS. The RHM Pension Scheme was in surplus and no deficit contributions are payable. Actuarial valuations for the schemes based in Ireland were completed during the course of 2017 and 2019.

The exchange rates used to translate the overseas euro based schemes are £1.00 = €1.1444 for the average rate during the period, and £1.00 = €1.1128 for the closing position at 28 March 2020.

All defined benefit plans 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 and the UK schemes have appointed a professional independent Trustee as Chair of the boards. The members of the trustee boards undertake regular training and development to ensure that they are equipped appropriately to fulfil their function as trustees. 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 of the UK schemes generally meet at least four times a year to conduct their business. To support these meetings the Trustees have delegated certain aspects of the schemes’ operation 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 and infrastructure.

The plan 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, the smaller schemes use a pooled fund approach for LDI.

The main risks to which the Group is exposed in relation to the funded pension schemes are as follows:

- Liquidity risk – the PFPS and PGPPS have significant technical funding deficits which could increase. 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 condition 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 schemes can limit or hedge their exposure to the yield and inflation risks described above 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 has largely hedged its inflation and interest rate exposure to the extent of its funding level. The PFPS and PGPPS have broadly hedged 60% of their respective liabilities.

The liabilities of the schemes are approximately 47% in respect of former active members who have yet to retire and approximately 53% in respect of pensioner members already in receipt of benefits.

All pension schemes are closed to future accrual.

The disclosures in note 9 represent those schemes that are associated with Premier (“Premier schemes”) and those that are associated with ex-RHM companies (“RHM schemes”). These differs 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.

At the balance sheet date, the combined principal accounting valuation assumptions were as follows:

	At 28 Mar 2020		**At 30 Mar 2019**	
	Premier schemes	**RHM schemes**	**Premier schemes**	**RHM schemes**
Discount rate	**2.50%**	**2.50%**	2.45%	2.45%
Inflation – RPI	**2.65%**	**2.65%**	3.25%	3.25%
Inflation – CPI	**1.65%**	**1.65%**	2.15%	2.15%
Expected salary increases	**n/a**	**n/a**	n/a	n/a
Future pension increases	**1.90%**	**1.90%**	2.10%	2.10%

For the smaller overseas schemes, the discount rate used was 1.00% (2018/19: 1.50%) and future pension increases were 0.80% (2018/19: 1.30%).

At 28 March 2020 and 30 March 2019, 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 mortality assumptions are based on standard mortality tables and allow for future mortality improvements. The life expectancy assumptions are as follows:

	At 28 Mar 2020		At 30 Mar 2019	
	Premier schemes	**RHM schemes**	**Premier schemes**	**RHM schemes**
Male pensioner, currently aged 65	**87.0**	**85.4**	87.4	85.3
Female pensioner, currently aged 65	**87.6**	**86.6**	89.3	87.8
Male non-pensioner, currently aged 45	**89.2**	**87.8**	88.4	86.1
Female non-pensioner, currently aged 45	**90.2**	**89.3**	90.5	88.9

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 £68.2m/£69.9m
Inflation	Increase/decrease by 0.1%	Increase/decrease by £27m/£26.6m
Assumed life expectancy at age 60 (rate of mortality)	Increase/decrease by 1 year	Increase/decrease by £188.9m/£188.5m

The sensitivity information has been derived using projected cash flows for the Schemes valued using the relevant assumptions and membership profile as at 28 March 2020. Extrapolation of these results beyond the sensitivity figures shown may not be appropriate.

At the reporting date, the property asset class carried an uncertainty clause over the valuation performed by independent valuers of the property funds. This reflects the difficulty in assigning a value to the underlying properties held by the respective funds due to the current economic environment caused by COVID-19.

The inclusion of the 'uncertainty' clause does not invalidate the valuation, nor does it mean that the valuation cannot be relied upon. The declaration has been included in the investment manager's valuation report as a precaution to ensure transparency of the fact that less certainty can be attached to the valuation than would otherwise be the case under normal market conditions.

Management has reviewed the asset values that make up the property asset class, to ensure the values appropriately reflect current market conditions, recognising that there is short term volatility driven by the current market conditions. Using total property fund value as the basis, a sensitivity analysis has been performed as follows:

	Change in assumption	**Impact on scheme assets**
Property fund value	Increase/decrease by 1%	Increase/decrease by £4.5m/£4.5m

The fair values of plan assets split by type of asset are as follows:

	Premier schemes	% of total	RHM schemes	% of total	Total	% of total
	£m	%	£m	%	£m	
Assets with a quoted price in an active market at 28 March 2020:						
Government bonds	**-**	**-**	**1,758.5**	**37.1**	**1,758.5**	**31.8**
Cash	**6.9**	**0.9**	**25.5**	**0.5**	**32.4**	**0.6**
Assets without a quoted price in an active market at 28 March 2020:						
UK equities	**0.1**	**0.0**	**0.2**	**0.0**	**0.3**	**0.0**
Global equities	**6.7**	**0.9**	**4.5**	**0.1**	**11.2**	**0.2**
Government bonds	**24.3**	**3.1**	**19.8**	**0.4**	**44.1**	**0.8**
Corporate bonds	**25.3**	**3.3**	**-**	**-**	**25.3**	**0.5**
UK Property	**42.4**	**5.5**	**331.9**	**7.0**	**374.3**	**6.8**
European property	**0.8**	**0.1**	**70.1**	**1.5**	**70.9**	**1.3**
Absolute return products	**364.0**	**46.9**	**834.2**	**17.7**	**1,198.2**	**21.6**
Infrastructure funds	**-**	**-**	**309.8**	**6.5**	**309.8**	**5.6**
Interest rate swaps	**-**	**-**	**533.1**	**11.2**	**533.1**	**9.7**
Inflation swaps	**-**	**-**	**(46.0)**	**(1.0)**	**(46.0)**	**(0.8)**
Private equity	**0.6**	**0.1**	**509.5**	**10.7**	**510.1**	**9.2**
LDI	**268.3**	**34.6**	**-**	**-**	**268.3**	**4.9**
Other	**35.3**	**4.6**	**394.2**	**8.3**	**429.5**	**7.8**
Fair value of scheme assets as at 28 March 2020	**774.7**	**100**	**4,745.3**	**100**	**5,520.0**	**100**
Assets with a quoted price in an active market at 30 March 2019[1]:						
Government bonds	-	-	1,298.6	30.0	1,298.6	25.8
Cash	8.0	1.1	29.3	0.7	37.3	0.7
Assets without a quoted price in an active market at 30 March 2019[1]:						
UK equities	0.4	0.1	0.3	0.0	0.7	0.1
Global equities	7.5	1.1	171.3	4.0	178.8	3.5
Government bonds	29.9	4.2	18.0	0.4	47.9	1.0
Corporate bonds	26.9	3.8	-	-	26.9	0.5
UK Property	30.9	4.4	362.6	8.4	393.5	7.8
European property	0.4	0.1	42.2	0.9	42.6	0.8
Absolute return products	365.7	51.6	976.3	22.5	1,342.0	26.7
Infrastructure funds	-	-	255.8	5.9	255.8	5.1
Interest rate swaps	-	-	448.8	10.4	448.8	8.9
Inflation swaps	-	-	49.6	1.1	49.6	1.0
Private equity	-	-	446.1	10.3	446.1	8.8
LDI	223.2	31.6	-	-	223.2	4.4
Other	14.2	2.0	234.7	5.4	248.9	4.9
Fair value of scheme assets as at 30 March 2019	707.1	100	4,333.6	100	5,040.7	100

[1] Restated following re-interpretation of the classifications, including the allocation between quoted and unquoted assets

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.

The RHM scheme invests directly in interest rate and inflation swaps to protect from fluctuations in interest rates and inflation.

The amounts recognised in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes are as follows:

			At 28 March 2020			At 30 March 2019
	Premier schemes £m	RHM schemes £m	Total £m	Premier schemes £m	RHM schemes £m	Total £m
Present value of funded obligations	**(1,049.6)**	**(3,240.0)**	**(4,289.6)**	(1,171.8)	(3,495.8)	(4,667.6)
Fair value of plan assets	**774.7**	**4,745.3**	**5,520.0**	707.1	4,333.6	5,040.7
(Deficit)/surplus in schemes	**(274.9)**	**1,505.3**	**1,230.4**	(464.7)	837.8	373.1

The aggregate surplus of £373.1m has increased to a surplus of £1,230.4m in the current period. This increase of £857.3m (2018/19: £56.1m increase) is primarily driven by return on plan assets and change in financial assumptions.

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 31 March 2018	(1,116.1)	(3,430.5)	(4,546.6)
Interest cost	(29.1)	(90.3)	(119.4)
Past service cost	(11.1)	(26.5)	(37.6)
Remeasurement losses	(53.9)	(94.6)	(148.5)
Exchange differences	0.8	0.5	1.3
Benefits paid	37.6	145.6	183.2
Defined benefit obligation at 30 March 2019	**(1,171.8)**	**(3,495.8)**	**(4,667.6)**
Recognition of HHL pension scheme	**(0.5)**	**-**	**(0.5)**
Interest cost	**(27.8)**	**(83.3)**	**(111.1)**
Settlement	**0.9**	**36.1**	**37.0**
Remeasurement gain	**113.6**	**157.6**	**271.2**
Exchange differences	**(2.0)**	**(1.3)**	**(3.3)**
Benefits paid	**38.0**	**146.7**	**184.7**
Defined benefit obligation at 28 March 2020	**(1,049.6)**	**(3,240.0)**	**(4,289.6)**

Changes in the fair value of plan assets were as follows:

	Premier schemes £m	RHM schemes £m	Total £m
Fair value of plan assets at 31 March 2018	679.1	4,184.5	4,863.6
Interest income on plan assets	17.7	110.7	128.4
Remeasurement gains	14.2	187.5	201.7
Administrative costs	(6.5)	(3.8)	(10.3)
Contributions by employer	41.1	0.8	41.9
Exchange differences	(0.9)	(0.5)	(1.4)
Benefits paid	(37.6)	(145.6)	(183.2)
Fair value of plan assets at 30 March 2019	**707.1**	**4,333.6**	**5,040.7**
Recognition of HHL pension scheme	**0.5**	**-**	**0.5**
Interest income on plan assets	**16.7**	**103.7**	**120.4**
Remeasurement gains	**49.3**	**496.2**	**545.5**
Administrative costs	**(5.6)**	**(4.6)**	**(10.2)**
Settlement	**(1.0)**	**(39.7)**	**(40.7)**
Contributions by employer	**43.3**	**1.4**	**44.7**
Exchange differences	**2.4**	**1.4**	**3.8**
Benefits paid	**(38.0)**	**(146.7)**	**(184.7)**
Fair value of plan assets at 28 March 2020	**774.7**	**4,745.3**	**5,520.0**

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 31 March 2018	(437.0)	754.0	317.0
Amount recognised in profit or loss	(29.0)	(9.9)	(38.9)
Remeasurements recognised in other comprehensive income	(39.7)	92.9	53.2
Contributions by employer	41.1	0.8	41.9
Exchange differences recognised in other comprehensive income	(0.1)	-	(0.1)
(Deficit)/surplus in schemes at 30 March 2019	**(464.7)**	**837.8**	**373.1**
Amount recognised in profit or loss	**(16.8)**	**12.2**	**(4.6)**
Remeasurements recognised in other comprehensive income	**162.9**	**653.8**	**816.7**
Contributions by employer	**43.3**	**1.4**	**44.7**
Exchange differences recognised in other comprehensive income	**0.4**	**0.1**	**0.5**
(Deficit)/surplus in schemes at 28 March 2020	**(274.9)**	**1,505.3**	**1,230.4**

Remeasurements recognised in the consolidated statement of comprehensive income are as follows:

	Premier schemes	RHM schemes	2019/20 Total	Premier schemes	RHM schemes	2018/19 Total
	£m	£m	£m	£m	£m	£m
Remeasurement gain/(loss) on plan liabilities	**113.6**	**157.6**	**271.2**	(53.9)	(94.6)	(148.5)
Remeasurement gain on plan assets	**49.3**	**496.2**	**545.5**	14.2	187.5	201.7
Net remeasurement gain/(loss) for the period	**162.9**	**653.8**	**816.7**	(39.7)	92.9	53.2

The actual return on plan assets was a £665.9m gain (2018/19: £330.1m gain), which is £545.5m more (2018/19: £201.7m more) than the interest income on plan assets of £120.4m (2018/19: £128.4m).

The remeasurement gain on liabilities of £271.2m (2018/19: £148.5m loss) comprises a gain due to changes in financial assumptions of £184.5m (2018/19: £226.7m loss), a gain due to member experience of £76.5m (2018/19: £9.1m loss) and a gain due to demographic assumptions of £10.2m (2018/19: £87.3m gain).

The net remeasurement gain taken to the consolidated statement of comprehensive income was £816.7m (2018/19: £53.2m gain). This gain was £661.4m (2018/19: £44.1m gain) net of taxation (with tax at 19% for UK schemes, and 12.5% for Irish schemes).

The RHM Pension Scheme Trustee began an enhanced transfer value (ETV) exercise in 2019 for deferred pensioner members who met the eligibility criteria. The impact of ETV payments made before the end of the financial year on the accounting position is reflected in the notes above.

The Group expects to contribute between £4m and £6m annually to its defined benefit plans in relation to expenses and government levies and £35-38m of additional annual contributions to fund the scheme deficits up to 31 March 2021. The RHM Pension Scheme and the PFPS have a combined estimated duration of 17 years at the reporting date.

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 International Accounting Standards Board under IFRIC 14, are currently reviewing the recognition of a pensions surplus in the financial statements of an entity. Dependent upon the final published standard, there is potential that any future defined benefit surplus may not be recognised in the financial statements of the Group and additionally, the deficit valuation methodology may also change.

The total amounts recognised in the consolidated statement of profit or loss are as follows:

	Premier schemes	RHM schemes	2019/20 Total	Premier schemes	RHM schemes	2018/19 Total
	£m	£m	£m	£m	£m	£m
Operating profit						
GMP Equalisation	**-**	**-**	**-**	(26.5)	(15.0)	(41.5)
Settlement cost	**(0.1)**	**(3.6)**	**(3.7)**	-	3.9	3.9
Administrative costs	**(5.6)**	**(4.6)**	**(10.2)**	(6.5)	(3.8)	(10.3)
Net interest (cost)/credit	**(11.1)**	**20.4**	**9.3**	(11.4)	20.4	9.0
Total (cost)/credit	**(16.8)**	**12.2**	**(4.6)**	(44.4)	5.5	(38.9)

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 £7.3m (2018/19: £6.7m) represents contributions payable to the plans by the Group at rates specified in the rules of the plans.

10. Notes to the cash flow statement

Reconciliation of profit/(loss) before tax to cash flows from operations

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Profit/(loss) before taxation	**53.6**	(42.7)
Net finance cost	**41.7**	47.2
Operating profit	**95.3**	4.5
Depreciation of property, plant and equipment	**19.9**	17.0
Amortisation of intangible assets	**29.4**	34.4
Loss on disposal of non-current assets	**0.4**	0.3
Impairment of intangible assets	**-**	30.6
Fair value movements on foreign exchange and other derivative contracts	**(1.7)**	1.3
Equity settled employee incentive schemes	**1.3**	2.1
GMP equalisation and past service cost related to defined benefit pension schemes[1]	**-**	37.6
Decrease/(increase) in inventories	**9.8**	(1.4)
Decrease/(increase) in trade and other receivables	**0.1**	(14.4)
Increase in trade and other payables and provisions	**9.5**	8.8
Movement in retirement benefit obligations	**(42.5)**	(40.6)
Cash generated from operations	**121.5**	80.2

[1]The prior year employee benefit past service costs include the GMP equalisation charge.

Reconciliation of cash and cash equivalents to net borrowings

	52 weeks ended 28 Mar 2020 £m	52 weeks ended 30 Mar 2019 £m
Net inflow of cash and cash equivalents	**150.1**	4.2
Increase in IFRS 16 leases	**(21.5)**	-
(Increase)/decrease in borrowings	**(85.0)**	25.0
Other non-cash movements	**(3.3)**	(2.7)
Decrease in borrowings net of cash	**40.3**	26.5
Total net borrowings at beginning of period	**(469.9)**	(496.4)
Total net borrowings at end of period	**(429.6)**	(469.9)

Analysis of movement in borrowings

	As at 30 Mar 2019 £m	Cash flows £m	Non-cash interest expense £m	Other non-cash movements £m	As at 28 Mar 2020 £m
Cash and bank deposits	27.8	150.1	-	-	**177.9**
Net cash and cash equivalents	27.8	150.1	-	-	**177.9**
Borrowings - revolving credit facilities	-	(85.0)	-	-	**(85.0)**
Borrowings - senior secured notes	(510.0)	-	-	-	**(510.0)**
Finance lease obligations	-	(3.9)	1.1	(18.7)	**(21.5)**
Gross borrowings net of cash[1]	(482.2)	61.2	1.1	(18.7)	**(438.6)**
Debt issuance costs[2]	12.3	-	-	(3.3)	**9.0**
Total net borrowings[1]	(469.9)	61.2	1.1	(22.0)	**(429.6)**

[1] Borrowings exclude derivative financial instruments.
[2] The non-cash movement in debt issuance costs relates to the amortisation of capitalised borrowing costs only.

		As at 28 Mar 2020			**As at 30 Mar 2019**	
	Offset asset	**Offset liability**	**Net offset asset**	Offset asset	Offset liability	Net offset asset
Cash, cash equivalents and bank overdrafts	**312.8**	**(134.9)**	**177.9**	158.0	(130.2)	27.8

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.

11. Bank and other borrowings

	As at 28 Mar 2020 £m	As at 30 Mar 2019 £m
Current:		
IFRS 16 lease liability	**(2.5)**	-
Secured senior credit facility – revolving	**(85.0)**	-
Total borrowings due within one year	**(87.5)**	-
Non-current:		
IFRS 16 lease liability	**(19.0)**	-
	(19.0)	-
Transaction costs	**4.2**	5.8
	4.2	5.8
Senior secured notes	**(510.0)**	(510.0)
Transaction costs	**4.8**	6.5
	(505.2)	(503.5)
Total borrowings due after more than one year	**(520.0)**	(497.7)
Total bank and other borrowings	**(607.5)**	(497.7)

Secured senior credit facility - revolving

The revolving credit facility of £177m is due to mature in December 2022 and attracts a leverage-based margin of between 2.25% and 3.75% above LIBOR. 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]
2020/21 FY	4.25x	2.85x
2021/22 FY	4.00x	2.90x

[1]Net debt, EBITDA and Interest are as defined under the revolving credit facility.

Senior secured notes

The senior secured notes are listed on the Irish GEM Stock Exchange. The notes totalling £510m are split between fixed and floating tranches. The fixed note of £300m matures in October 2023 and attracts an interest rate of 6.25%. The floating note of £210m matures in July 2022 and attracts an interest rate of 5.00% above LIBOR.

12. Provisions for liabilities and charges

Property provisions primarily relate to provisions for dilapidations against leasehold properties and environmental liabilities. Other provisions primarily relate to insurance and legal matters and provisions for restructuring costs. These provisions have been discounted at rates between 0.12% and 0.77% (2018/19: 0.69% and 1.55%). The unwinding of the discount is charged or credited to the statement of profit or loss under finance cost.

	Property £m	Other £m	Total £m
At 31 March 2018	(32.1)	(11.5)	(43.6)
Utilised during the period	2.4	1.0	3.4
Additional charge in the period	-	(2.6)	(2.6)
Unwind of discount	(3.0)	-	(3.0)
Released during the period	0.9	2.8	3.7
At 30 March 2019	**(31.8)**	**(10.3)**	**(42.1)**
Utilised during the period	**0.2**	**2.9**	**3.1**
Additional charge in the period	**(0.2)**	**(1.5)**	**(1.7)**
Unwind of discount	**(1.4)**	**(0.0)**	**(1.4)**
Released during the period	**0.7**	**0.9**	**1.6**
Release under IFRS 16[1]	**24.5**	**-**	**24.5**
At 28 March 2020	**(8.0)**	**(8.0)**	**(16.0)**

[1]The adoption of IFRS 16 in the period involved the release to opening profit and loss reserve of the Group's long term property provisions.

Ageing of total provisions:	**As at 28 Mar 2020 £m**	As at 30 Mar 2019 £m
Within one year	**(6.4)**	(9.7)
Between 2 and 5 years	**(1.8)**	(5.0)
After 5 years	**(7.8)**	(27.4)
Total	**(16.0)**	(42.1)

13. Other liabilities

	As at 28 Mar 2020 £m	As at 30 Mar 2019 £m
Deferred income	**(7.4)**	(8.4)
Other accruals	**(1.3)**	(2.2)
Other liabilities	**(8.7)**	(10.6)

Deferred income relates to amounts received in relation to a previously disposed business.

14. Contingencies

There were no material contingent liabilities at 28 March 2020 (2018/19: none).

15. Subsequent events

On 20 April 2020 the Group announced a transformational agreement with its pensions schemes and that it had concluded its strategic review announced on 27 February 2019. The Group announced a segregated merger of the RHM, PF and PGP pension schemes, which will place them under one Trust. The key benefit of this agreement is that once the RHM pension scheme executes a buyout, any surplus would then be able to be passed to the remaining schemes in deficit, and so would result in an improved funding position of these schemes. As such, this agreement represents a more secure future for the Group's pension scheme members and has the potential to significantly reduce future funding requirements for the Group. The Group has signed all implementation documentation and the merger will take place on 30 June 2020.

On 17 June 2020, the Group redeemed £80m of its £210m floating rate senior secured note which is listed on the Irish GEM Stock Exchange. At the time of reporting, the Group had also repaid the £85m drawn on the revolving credit facility at 28 March 2020.

As at the time of reporting, the developing and uncertain situation in respect of the COVID-19 pandemic continues to be closely monitored.