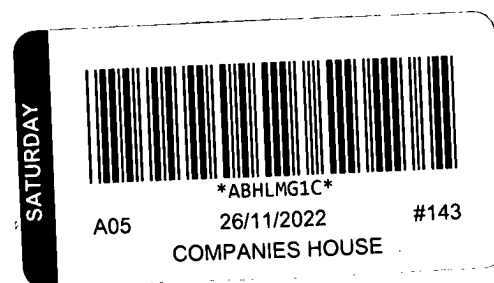


REGISTERED NUMBER: 04633664 (England and Wales)

**Strategic Report, Directors' Report and
Audited Financial Statements for the Period 31 May 2021 to 29 May 2022
for
General Mills UK Limited**



**Contents of the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

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**Strategic Report
for the Period 31 May 2021 to 29 May 2022**

The directors present their strategic report for the period 31 May 2021 to 29 May 2022.

BUSINESS REVIEW

The results of General Mills UK Limited (the "Company") for the period are shown on page 10.

The Company is a wholly owned subsidiary of General Mills Holding Limited and the ultimate parent company is General Mills, Inc. The Company operates across the UK, Ireland and other countries.

There have not been any significant changes in the Company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

During the period, the company recorded a profit of £13,263k (2021: £8,850k). The KPIs used by the Company to review its operational performance include:

	2022	2021
Sales growth/(fall)	(8.59%)	2.90%
Operating margin percentage	2.96%	3.40%

The actual results are reviewed against budget, monthly forecasts and prior year. These KPIs are reported monthly and form part of the overall strategy of the business to aid decision making and improve performance.

Our focus is on volume growth and brand equity building in order to grow. To do this we recruit the best people and train and develop them to a high industry standard in the sales and distribution of quality food products.

PRINCIPAL MANAGEMENT AND RISK FACTORS

A key risk to the business is food contamination; however our manufacturing plants operate a number of internal audit and Hazard Analysis Critical Control Points (HACCP) to manage this. Furthermore, the Company operates a Consumer Careline system and a crisis management system that is able to withdraw products from the market at very short notice should we become aware of a contamination issue.

As consumer spending patterns shift, growth in online and discount channels has increased and the company is making progress in penetrating these routes to market. The Company also operates in a large number of categories supplying a range of products from ready meals to the basic ingredients which makes it resilient to these changes. In addition to sales growth, the company continues to focus on enhancing margins through holistic margin management initiatives.

In fiscal 2022, we successfully adapted to the volatile operating environment, responding quickly to significant increases in input cost inflation. The largest factors impacting our performance in fiscal 2023 will be the economic health of consumers and the inflationary cost environment. We are addressing the inflationary environment with holistic margin management (HMM) and net price realization generated through our SRM capability. We are planning for volume elasticities to increase but remain below historical levels.

DOUGH BUSINESS

On November 24th, 2021, a deal was signed with Cerelia for the sale of the European dough businesses. This has resulted in £5.5m of Other Income in FY22 for General Mills UK Limited, related to consideration paid for the company's distributor relationship and other residual value. More details regarding the gain or loss on sale & net effect can be found in the consolidated General Mills, Inc. accounts available online.

Strategic Report
for the Period 31 May 2021 to 29 May 2022

COVID 19 – As the COVID-19 pandemic has progressed, management has continued to consider the consequences of it. Management have determined that COVID-19 does not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Section 172 statement:

Corporate Governance - The Company is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining shareholder value. The directors are responsible to shareholders for creating and delivering sustainable long term shareholder value through the management of the Company's business. The Company expects all its directors and employees to act with honesty, integrity and fairness. The company complies with all the provisions of the Governance Code and provides results to its Shareholders & Group in the form of monthly updates and ensures adequate compliance with governance codes through quarterly internal reporting, continuous Internal Controls Reviews and periodic Internal Audits.

Customers - The Company agrees terms and conditions for its business transactions when orders for goods are initially placed, ensuring that customers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are reviewed through periodic capital management.

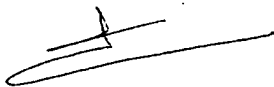
Employee Involvement - The Company is committed to the development of employee consultation and, thereby, to their greater involvement in the Company's operations.

Action in a variety of appropriate ways has been taken to develop arrangements aimed at providing employees with information on matters of concern to them, consulting with employees or their representatives, encouraging their involvement in the Company's performance and achieving an awareness on the part of employees of the financial and economic factors affecting the Company's performance.

Consultation is achieved both on a formal basis in conjunction with employee committees and also through more informal briefing sessions and discussions with wider groups of employees.

Supplier Payment Policies - The Company agrees terms and conditions for its business transactions when orders for goods and services are placed, ensuring that suppliers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are adhered to when making payments, subject to the terms and conditions being met by the supplier.

ON BEHALF OF THE BOARD:



David Brodowska - Director

Date: 29/09/2022

**Directors' Report
for the Period 31 May 2021 to 29 May 2022**

The directors present their report with the financial statements of the Company for the period 31 May 2021 to 29 May 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was that of the distribution and sale of super-premium ice cream, granola bars, ambient packaged foods, pre-packed frozen, canned vegetable products, and other foods.

DIVIDENDS

The directors do not recommend the payment of a dividend (2021: £8,000,000).

DIRECTORS

Directors holding office during the period and to the date of this report are as follows:

David Brodowska (appointed 1 May 2022)
Benjamin John Pearman
Brian Walsh (appointed 2 May 2022)
Michael Schuurmans (resigned 1 May 2022)
Jana Gaffaney (resigned 2 May 2022)

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POLITICAL DONATIONS AND EXPENDITURE

The Company made no political donations during the period (31 May 2021: nil).

DIRECTORS' EMOLUMENTS

The emoluments of the directors are detailed in note 5 of these financial statements.

EMPLOYMENT OF DISABLED PERSONS

Disabled persons are given the same consideration as others when applying for jobs and have the same opportunities for promotion, career development and training as other employees. Employees who become disabled and unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

EMPLOYEE INVOLVEMENT

The Company is committed to the development of employee consultation and, thereby, to their greater involvement in the Company's operations.

Action in a variety of appropriate ways has been taken to develop arrangements aimed at providing employees with information on matters of concern to them, consulting with employees or their representatives, encouraging their involvement in the Company's performance and achieving an awareness on the part of employees of the financial and economic factors affecting the Company's performance.

Consultation is achieved both on a formal basis in conjunction with employee committees and also through more informal briefing sessions and discussions with wider groups of employees.

SUPPLIER PAYMENT POLICIES

The Company agrees terms and conditions for its business transactions when orders for goods and services are placed, ensuring that suppliers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are adhered to when making payments, subject to the terms and conditions being met by the supplier.

Directors' Report
for the Period 31 May 2021 to 29 May 2022

GOING CONCERN

The directors have no reason to believe that a material uncertainty exists that may cast doubt on the ability of General Mills UK Limited to continue as a going concern. The directors deem there to be minimal liquidity risk. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons -

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, where necessary through funding from other group companies, to meet its liabilities as they fall due for that period

OVERSEAS BRANCHES

The Company has two overseas branches registered in the Republic of Ireland.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Having made enquiries of fellow directors and of the Company's auditor, each of the directors confirms that:

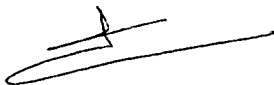
- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware; and

- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:



David Brodowska - Director

Date: 29/09/2022

**Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements
for the Period 31 May 2021 to 29 May 2022**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of General Mills UK Limited

Opinion

We have audited the financial statements of General Mills UK Limited ("the company") for the period ended 29 May 2022 which comprise the statement of profit and loss, other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 May 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

Independent Auditor's Report to the Members of General Mills UK Limited

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, and those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of General Mills UK Limited

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

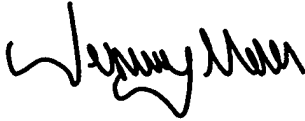
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

**Independent Auditor's Report to the Members of
General Mills UK Limited**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Hall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Date:

30/09/22

General Mills UK Limited

**Profit and Loss
for the Period 31 May 2021 to 29 May 2022**

	Notes	2022 £'000	2021 £'000
TURNOVER	3	310,449	339,622
Operating costs		(301,246)	(328,084)
OPERATING PROFIT/(LOSS)	6	<u>9,203</u>	<u>11,538</u>
Other Income	7	5,550	—
Interest receivable and similar income	8	495	270
Interest payable and similar expenses	9	(16)	(11)
PROFIT/(LOSS) BEFORE TAXATION		<u>15,232</u>	<u>11,797</u>
Tax on profit/(loss)	10	(1,969)	(2,947)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>13,263</u>	<u>8,850</u>

The accompanying notes form part of these financial statements

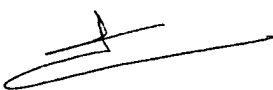
**Other Comprehensive Income
for the Period 31 May 2021 to 29 May 2022**

	2022 £'000	2021 £'000
PROFIT FOR THE FINANCIAL PERIOD	<u>13,263</u>	<u>8,850</u>
OTHER COMPREHENSIVE INCOME/LOSS		
Actuarial gain/(loss) recognised in the pension scheme	2,757	(3,819)
Deferred tax arising on actuarial movements in the pension scheme	(689)	524
Currency translation on foreign division	<u>258</u>	<u>252</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX	<u>2,326</u>	<u>(3,043)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>15,589</u>	<u>5,807</u>

The accompanying notes form part of these financial statements

Balance Sheet			2022	2021
29 May 2022		Notes	£000	£000
FIXED ASSETS				
Tangible assets	13		719	632
			<u>719</u>	<u>632</u>
CURRENT ASSETS				
Debtors	14		111,894	94,554
			<u>111,894</u>	<u>94,554</u>
CREDITORS				
Amounts falling due within one year	15		(99,308)	(96,961)
NET CURRENT ASSETS/ (LIABILITIES)			<u>12,586</u>	<u>(2,407)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,305	(1,775)
CREDITORS				
Amounts falling due after more than one year	16		(4,341)	(3,523)
PROVISIONS FOR LIABILITIES	17		(1,979)	(380)
PENSION ASSETS	20		<u>17,365</u>	<u>14,090</u>
NET ASSETS			<u>24,350</u>	<u>8,412</u>
CAPITAL AND RESERVES				
Called up share capital	18		330	330
Share premium				
Retained earnings			24,020	8,082
SHAREHOLDERS' FUNDS			<u>24,350</u>	<u>8,412</u>

The financial statements were approved by the Board of Directors on 29/09/2022 and were signed on its behalf by:



David Brodowska - Director

The accompanying notes form part of these financial statements

Statement of Changes in Equity
for the Period 31 May 2021 to 29 May 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at Balance at 31 May 2020	330	10,043	10,373
Changes in equity			
Stock option charge	—	232	232
Total comprehensive income	—	5,807	5,807
Dividends declared	—	(8,000)	(8,000)
Balance at 30 May 2021	<u>330</u>	<u>8,082</u>	<u>8,412</u>
Changes in equity			
Stock option charge	—	349	349
Total comprehensive income	—	15,589	15,589
Balance at 29 May 2022	<u>330</u>	<u>24,020</u>	<u>24,350</u>

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

1. STATUTORY INFORMATION

General Mills UK Limited is a limited liability company incorporated in England. These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

General Mills UK Limited's ultimate parent undertaking, General Mills, Inc. includes the Company in its consolidated financial statements. The consolidated financial statement of General Mills, Inc. for the period ended 29 May 2022 are available to the public and may be obtained from its registered office at Number One General Mills Boulevard, Minneapolis, MN 55426-1347, USA.

The directors have no reason to believe that a material uncertainty exists that may cast doubt on the ability of General Mills UK Limited to continue as a going concern. The directors deem there to be minimal liquidity risk. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons -

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, where necessary through funding from other group companies, to meet its liabilities as they fall due for that period.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

2. ACCOUNTING POLICIES - continued

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Buildings – 15 years
- leasehold improvement 3 to 10 years
- plant and equipment 3 to 10 years
- fixtures and fittings 2 to 5 years

Turnover

Turnover is recognised upon delivery to customers. Reported sales are exclusive of VAT and net of certain trade promotion and other costs. Trade promotions are included, based on estimated levels of participation and performance.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first in first out basis principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- i. they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- ii. where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

2. ACCOUNTING POLICIES - continued

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Related party transactions

FRS 102 Disclosure is not required of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transactions is wholly owned by a member of that group.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated [separately for each plan] by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022

2. ACCOUNTING POLICIES - continued

Employee benefits - Continued

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest cost, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company. An analysis of turnover by class of business is given below:

	2022	2021
	£'000	£'000
Sale of goods	<u>310,449</u>	<u>339,622</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£'000	£'000
United Kingdom	278,461	302,479
Ireland	19,768	21,730
Rest of World	<u>12,220</u>	<u>15,413</u>
	<u>310,449</u>	<u>339,622</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees (excluding retail), including directors, during the period was:

	2022	2021
Full Time	277	303
Part Time	<u>10</u>	<u>11</u>
	<u>287</u>	<u>314</u>

All of the above employees were engaged in the distribution and sale of super premium ice cream, granola bars, ambient packaged goods, pre-packed frozen and chilled pastry and dough products, canned vegetable products, baking mixes, and other food products.

The aggregate remuneration of all employees comprised:

	2022	2021
	£'000	£'000
Wages and salaries	25,262	26,956
Social security costs	2,777	2,234
Stock Options	349	232
Other pension costs	<u>4,275</u>	<u>3,655</u>
	<u>32,663</u>	<u>33,077</u>

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

5. DIRECTORS' EMOLUMENTS

	2022	2021
	£'000	£'000
Director Remuneration	<u>929</u>	<u>967</u>

The aggregate of remuneration of the highest paid director was £615,353 (2021: £591,899). 2 (2021: 2) of the directors who served during the period to 29 May 2022 are members of the General Mills UK Pension Plan within the defined benefit part of the scheme. 4 (2021: 3) were members of General Mills, Inc. (parent company) pension plan within the defined benefit part of the scheme. No contributions were made by the company to the scheme in 2022 (2021: nil).

6. OPERATING (LOSS)/PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Operating lease payments	1,264	1,602
Hire of other assets	41	95
Depreciation - owned assets (see note 13)	202	249
Auditor's remuneration	<u>116</u>	<u>110</u>

7. OTHER INCOME

	2022	2021
	£'000	£'000
Other Income	<u>5,550</u>	<u>—</u>
	<u>5,550</u>	<u>—</u>

On November 24th, 2021, a deal was signed with Cerelia for the sale of the European dough businesses. This has resulted in £5.5m of Other Income in FY22 for General Mills UK Limited, related to consideration paid for the company's distributor relationship and other residual value. More details regarding the gain or loss on sale & net effect can be found in the consolidated General Mills, Inc. accounts available online.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest receivable on loans to group undertakings	101	10
Net interest income on net defined benefit plan assets	<u>394</u>	<u>260</u>
	<u>495</u>	<u>270</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Other Interest	<u>16</u>	<u>11</u>
	<u>16</u>	<u>11</u>

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

10. TAXATION

The total tax charge/ (credit) is made up as follows:

	2022	2021
	£'000	£'000
Current tax on income for the period	1,821	2,216
Adjustment in respect of prior years	<u>(10)</u>	<u>92</u>
	<u>1,811</u>	<u>2,308</u>
Deferred tax charge/(credit) for the period		
Origination and reversal of temporary differences	151	74
Adjustment in respect of changes in tax rates	—	577
Prior year adjustment	<u>7</u>	<u>(12)</u>
	<u>158</u>	<u>639</u>
Tax on profits on ordinary activities	<u>1,969</u>	<u>2,947</u>

The total tax charge for the period is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

Profit on ordinary activities before tax	15,232	11,797
Tax on profit at standard rate of corporation tax of 19% (2021: 19%)	<u>2,894</u>	<u>2,242</u>
Effects of:		
Expenses not deductible for tax purposes	44	46
Difference in tax rates	—	577
Effect of deferred tax provided at different tax rates	36	—
Brought forward capital losses utilised	(1,002)	—
Adjustment in respect of prior years	<u>(3)</u>	<u>81</u>
Tax on profits on ordinary activities	<u>1,969</u>	<u>2,947</u>

Factors that may affect future tax charges

A rise in the UK Corporation Tax rate to 25% received Royal assent on the 10th June 2021. The rise to 25% would be effective from the 1 April 2023. This would increase the company's future current tax charge accordingly. The deferred tax asset/liability as at 29 May 2022 has been calculated based on the rate of 25% as the rate rise was substantively enacted at the balance sheet date.

On the 26 September 2022, after the balance sheet date, the UK Government announced that the planned rise to 25% would be cancelled however this has not yet been substantively enacted. Therefore the deferred tax asset/liability remains at 25%. The increase in the future tax charge is not expected to take place.

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

11. STOCK OPTIONS CHARGE

	2022	2021
	£'000	£'000
Stock Options Charge	<u>349</u>	<u>232</u>

12. DEFERRED TAX

The deferred tax asset at 29 May 2022 has been calculated based on the rate of 25% (2021: 25%).

An analysis of the deferred tax asset is shown below:

	2022	2021
	£'000	£'000
Difference between accumulated depreciation and capital allowances	6	76
Other short-term timing differences	<u>241</u>	<u>200</u>
Total	<u>247</u>	<u>276</u>

The amount of the net reversal of deferred tax expected to occur next year is nil (2022: nil), relating to the reversal of existing timing differences on tangible fixed assets and derivatives contracts and the origination of new timing differences on intangible fixed assets.

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

13. TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Improvements to property £'000
COST		
At 31 May 2021	86	173
Additions		289
At 29 May 2022	<u>86</u>	<u>462</u>
DEPRECIATION		
At 31 May 2021	40	29
Charge for period	8	29
At 29 May 2022	<u>48</u>	<u>58</u>
NET BOOK VALUE		
At 31 May 2021	<u>46</u>	<u>144</u>
At 29 May 2022	<u>38</u>	<u>404</u>

	Fixtures and fittings £'000	Plant and machinery £'000	Total £'000
COST			
At 31 May 2021	1,184	320	1,763
Additions	—	—	289
At 29 May 2022	<u>1,184</u>	<u>320</u>	<u>2,052</u>
DEPRECIATION			
At 31 May 2021	897	165	1,131
Charge for period	140	25	202
At 29 May 2022	<u>1,037</u>	<u>190</u>	<u>1,333</u>
NET BOOK VALUE			
At 31 May 2021	<u>287</u>	<u>155</u>	<u>632</u>
At 29 May 2022	<u>147</u>	<u>130</u>	<u>719</u>

Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade debtors	54,321	69,269
Amounts owed by group undertakings	51,684	23,099
Deferred tax asset	247	276
VAT	663	847
Corporation tax	4	101
Prepayments and accrued income	4,975	962
	<u>111,894</u>	<u>94,554</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	3,780	4,508
Amounts owed to group undertakings	76,330	70,553
Accruals and deferred income	19,198	21,900
	<u>99,308</u>	<u>96,961</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£'000	£'000
Deferred Tax on Pension Asset	<u>4,341</u>	<u>3,523</u>

17. PROVISIONS FOR LIABILITIES

	Opening Balance at 31 May 2021	Released in period	Additions in period	Closing Balance at 29 May 2022
	£'000	£'000	£'000	£'000
Dilapidation provision	381	—	10	391
Onerous lease provision	—	—	1,588	1,588
Total provision	<u>381</u>	<u>—</u>	<u>1,598</u>	<u>1,979</u>

In addition to the dilapidation provision which provides against future lease obligations to return the properties to their original state at the end of the lease term. This year the company recognised an onerous lease provision related to the rent of the office.

18. CALLED UP SHARE CAPITAL

Authorised

	2022	2022	2021	2021
		£000		£000
Ordinary shares of £0.01 each	100,000,000	1,000	100,000,000	1,000
<u>Allotted, called up and fully paid</u>				

	2022	2022	2021	2021
		£000		£000
Ordinary shares of £0.01 each	32,966,379	330	32,966,379	330

Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022

19. EMPLOYEE BENEFITS

The Company grants share based payments to senior management and also rewards to the employees for their exceptional work. These options vest at the end of 4 years.

20. PENSIONS

The Company operates both defined contribution and defined benefit schemes. The information disclosed below is in respect of the whole plans for which the company is either legally responsible or has been allocated a share of cost under an agreed policy throughout the periods shown:

Defined benefit schemes

FRS 102

General Mills UK Limited operates a defined benefit pension arrangement in the UK.

<u>Change in Projected Benefit Obligation (PBO)</u>	2022	2021
	£'000	£'000
Benefit obligation, beginning of period	70,527	70,109
Current service cost	489	547
Interest cost	1,312	1,061
Plan participants' contributions	11	12
Actuarial loss	(11,793)	(55)
Gross benefits paid	(1,752)	(1,147)
Curtailments	(21)	—
Other	75	—
Benefit obligation, end of period	58,848	70,527
Benefit obligation - funded plans	<u>58,848</u>	<u>70,527</u>

Weighted-average assumptions used to determine the PBO at end of period

	2022	2021
Discount rate	3.19%	2.03%
Inflation assumption (RPI)	3.45%	3.30%
Inflation assumption (CPI)	2.80%	2.60%
Rate of compensation increase	3.45%	3.30%
Pension Increase assumption Pre 6 April 2010	3.20%	3.05%
Pension Increase assumption Post 6 April 2010	2.10%	1.95%
Life expectancy of a male aged 65	22.3	22.3
Life expectancy of a female aged 65	24.6	24.5

<u>Change in Plan Assets</u>	2022	2021
	£'000	£'000
Fair value, beginning of period	84,618	87,786
Interest income on plan assets	1,707	1,321
Return on plan assets greater/(less) than discount rate	(9,036)	(3,874)
Employer contribution	667	520
Plan participants' contributions	11	12
Gross benefits paid	(1,752)	(1,148)
Transfer from fellow subsidiary undertaking	—	—
Fair value of plan assets, end of period	<u>76,215</u>	<u>84,618</u>

Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022

20. PENSIONS - Continued

<u>Plan Asset Allocation, end of period</u>		2022		2021
	£'000	Actual Allocation	£'000	Actual Allocation
Equities	—	—%	19,445	23.0%
Debt securities	49,960	65.6%	64,550	76.3%
Other	26,097	34.2%	—	—%
Cash	156	0.2%	622	0.7%
Total	<u>76,213</u>		<u>84,617</u>	

Funded Status

The funded status at the end of the period, and the related amounts recognised on the balance sheet, follow:

<u>Funded status, end of period</u>	2022	2021	
	£'000	£'000	
Fair value of plan assets	76,213	84,617	
Benefit obligations	(58,848)	(70,527)	
Surplus/(deficit)	17,365	14,090	
(Effect of limit on recoverable Plan surplus)	—	—	
Net amount recognized, end of year (before deferred taxes)	17,365	14,090	
Net amount recognized, end of period (after deferred taxes)	17,365	14,090	
<u>Other Comprehensive Income (OCI)</u>	2022	2021	
	£'000	£'000	
Actuarial (gain)/loss arising during the period	(11,793)	(55)	
Return on plan assets (greater)/Less than discount rate	9,036	3,874	
Change in irrecoverable plan surplus	—	—	
Remeasurement effects recognised in OCI	(2,757)	3,819	
<u>Total Defined Benefit Cost</u>	2022	2021	
	£'000	£'000	
Costs recognised in P&L	149	287	
Remeasurement effect recognised in OCI	(2,757)	3,819	
Total defined benefit cost	(2,608)	4,106	
<u>Experience Adjustments</u>	29 May 2022	31 May 2021	31 May 2020
	£'000	£'000	£'000
Fair value of assets	76,213	84,617	87,787
DBO	(58,848)	(70,527)	(70,109)
Funded Status	17,365	14,090	17,677
Experience gain/(loss) adjustment on DBO	(579)	815	1,376
Experience gain/(loss) adjustment on plan assets	(9,036)	(3,874)	10,805

Expected employer contributions

The Company expects to contribute about £0.4m to the pension plan in the period ending 29 May 2023.

**Notes to the Financial Statements
for the Period 31 May 2021 to 29 May 2022**

20. PENSIONS - Continued

Components of benefit cost recognised in profit and loss:	2022	2021
	£'000	£'000
Effect of employee service in the current period	489	547
Net interest cost	(394)	(260)
Plan introductions, changes, curtailments & settlements	54	—
Defined benefit cost recognised in P&L	<u>149</u>	<u>287</u>
Actual return on plan assets	<u>(7,329)</u>	<u>(2,553)</u>

Current employer service cost is recognised within Operating costs whilst Interest cost and Expected return on plan assets are included net within Interest receivable.

Weighted-average assumptions used to determine benefit cost:	2022	2021
Discount rate - Interest cost	1.87%	1.52%
Discount rate - Service cost	2.08%	1.51%
Discount rate - Interest on service cost	2.01%	1.52%
Discount rate - Liabilities	2.03%	1.51%
Inflation assumption RPI	3.30%	2.65%
Inflation assumption CPI	2.60%	1.95%
Rate of compensation increase	3.30%	2.65%
Life expectancy of a male aged 65	22.3	22.3
Life expectancy of a female aged 65	24.6	24.5

Defined contribution schemes

The Company is the principal employer in a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to this scheme and amounted to £191,770 for the period ending 29 May 2022 (2021: £185,310). In addition, the Company makes certain contributions to other pension schemes that its employees participate in.

21. OPERATING LEASE COMMITMENTS

The Company has commitments under non-cancellable operating leases as follows:

	2022		2021	
	Land and Buildings	Other	Land and Buildings	Other
	£'000	£'000	£'000	£'000
within 1 year	1,444	177	1,395	278
between 2 and 5 years	4,313	159	5,579	425
after more than 5 years	—	29	—	—
	<u>5,757</u>	<u>336</u>	<u>6,974</u>	<u>703</u>

22. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking as at 29 May 2022 is General Mills Holding (UK) Limited, a company incorporated and registered in England. The Company is a subsidiary undertaking of General Mills, Inc., which is the ultimate parent company incorporated and registered in Delaware, USA. The smallest and largest group in which the results of the company are consolidated is that headed by General Mills, Inc. No other group financial statements include the results of the Company. The consolidated financial statements of General Mills, Inc. for the period ended 29 May 2022 are available to the public and may be obtained from its registered office at Number One General Mills Boulevard, Minneapolis, MN 55426-1347, USA.