

Heron Foods Expands with 10 New Stores

August 8, 2025

— Categories: Finance



Heron Foods, the Hull-based frozen food and grocery chain, is set to expand its footprint across the UK with plans to open 10 new stores in the current financial year. The move comes despite a recent drop in overall sales and profit margins, with the company aiming to boost its presence, particularly in the North and the Midlands.

According to newly filed financial statements, Heron Foods saw its workforce decline by around 250 people over the past year, bringing the total headcount down to 5,519. The company attributed some of the reduction to streamlining operations, but is now signalling renewed growth with a strategic store expansion plan.

The chain, which originally started as Grindells Butchers on Holderness Road in Hull during the late 1970s, currently operates over 340 outlets. It is now setting its sights on extending this network further, with a target of ten new openings in the 2025-2026 financial year. While exact locations have not yet been disclosed, the company confirmed that its internal acquisition team and external property partners are actively sourcing suitable sites.

Tony Dodds, managing director of Heron Foods, highlighted the importance of this expansion in a statement within the company's accounts. "Central to the future success of the company is the store growth plan. Whilst we are seeing a competitive landscape around the pipeline of properties, we continue to actively source new opportunities through our internal acquisition team and external networks," he wrote.

Alongside new store openings, the company also intends to refurbish several existing locations and relocate others to more strategic, often larger, premises. These efforts aim to enhance customer experience, boost foot traffic, and increase overall sales performance.

In terms of financials, Heron Foods reported a turnover of £546 million for the year ending 29 March 2025, marking a 3.2 % drop compared to the £561 million achieved in the 53 weeks to 30 March 2024. Operating profit also declined, from £22 million to £17.5 million, due in part to rising operational costs and the recent increase in the National Minimum Wage by approximately 9.5 %.

Despite these financial pressures, Heron Foods remains committed to its low-cost model while investing in its infrastructure. Plans are under review for enhancing the company's distribution network, although specific proposals are still in the early stages. A future capacity expansion for logistics is being considered to improve operational efficiency across the business.

The past financial year saw Heron open 14 new or relocated stores, resulting in eight net additions after closing several older or underperforming sites that had reached the end of their lease periods. The firm also continued upgrading its current stores, including the refurbishment of its Cottingham branch, which reopened earlier this year featuring updated freezers and a revamped "food to go" range. The Hull Spring Bank West store was also renovated last month.

Dodds stressed the importance of both staff and customer satisfaction in the company's ongoing strategy. "People are at the core of what we do, and we recognise we couldn't

operate without the dedication of our colleagues,” he said. “Our core values of colleagues, service and standards underpin everything we do.”

Heron is encouraging staff engagement through social media campaigns, enabling employees to promote the brand’s product offerings in local communities. “It is important to us that our colleagues are engaged in the product we sell and take pride in the work we do,” Dodds added.

The expansion comes at a time when discount food retailers are under pressure to adapt quickly to changing consumer behaviour and rising operational costs. Nevertheless, Heron Foods appears confident in its ability to grow and adapt in a competitive retail environment. With strong leadership and renewed investment in both its retail and distribution network, the chain looks set to maintain its presence on the UK’s high streets.