

**Company Registration No. 2573163**

**RICHMOND FOODS LIMITED**

**Report and financial statements**

**27 December 2009**

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## Directors' report

The Directors present their annual report and the audited financial statements for the 52 weeks ended 27 December 2009 (2008 52 weeks ended 28 December 2008)

### Results

The results for the period, after taxation, amounted to a loss of £1,311,000 (2008 loss £1,627,000) The results of the Company were in line with expectations

### Principal activities and enhanced business review

The Company's principal activity during the period continued to be a management Company of its main trading subsidiary R&R Ice Cream UK Limited, whose principal activity is the manufacture and sale of ice cream and frozen confectionery

R&R Ice Cream UK Ltd and its principal trading subsidiary, Kelly's of Cornwall Ltd, have themselves enjoyed a great year with 7% sales growth in R&R UK and 46% sales growth in its recently acquired subsidiary Kelly's of Cornwall Ltd Such growth has been achieved across both retail and wholesale sectors, and within Kellys by the securing of national distribution with key retailers and the utilisation of R&R's existing sales channels and relationships; together with the use of a national TV campaign to further strengthen the Kellys brand

The key performance indicators and the principal risks and uncertainties for R&R Ice Cream UK Limited, are included in the Directors' Report for that Company

### Directors

The Directors who held office during the period were as follows

B J Buchan  
J S Lambert  
A B Finneran  
I Najafi

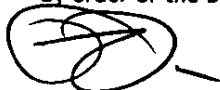
### Disclosure of information to auditors

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 auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

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

By order of the board



AB Finneran  
Secretary

Richmond House  
Leeming Bar  
Northallerton  
North Yorkshire  
DL7 9UL  
28 April 2010

## **Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

The Directors are responsible for preparing 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).

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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 auditors' report to the members of Richmond Foods Limited**

We have audited the financial statements of Richmond Foods Limited for the year ended 27<sup>th</sup> December 2009 (set out on pages 5 to 12). The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 27<sup>th</sup> December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of Richmond Foods Limited  
(continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



Chris Hearld (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

28 April 2010

**Profit and loss account**  
**for the 52 weeks ended 27 December 2009**

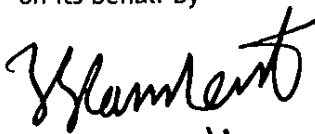
		52 weeks ended 27 December 2009 £'000	52 weeks ended 28 December 2008 £'000
	<i>Note</i>		
Administrative expenses and operating loss	2	(870)	(981)
Net interest payable and similar charges	5	(972)	(1,287)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(1,842)	(2,268)
Tax on loss on ordinary activities	6	531	641
		<hr/>	<hr/>
Loss for the financial period		<u>(1,311)</u>	<u>(1,627)</u>

There are no recognised gains and losses for the current or preceding financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is provided

**Balance sheet**  
**at 27 December 2009**

	Note	27 December 2009 £'000	28 December 2008 £'000
<b>Fixed assets</b>			
Investments	7	3,863	3,863
<b>Current assets</b>			
Debtors	8	28,332	35,286
Cash at bank and in hand		-	560
		<u>28,332</u>	<u>35,846</u>
Creditors: amounts falling due within one year	9	<u>(3,799)</u>	<u>(3,302)</u>
<b>Net current assets</b>		24,533	32,544
<b>Total assets less current liabilities</b>		28,396	36,407
Creditors: amounts falling due after more than one year	10	(9,718)	(16,418)
<b>Net Assets</b>		<u>18,678</u>	<u>19,989</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,213	1,213
Share premium account	12	12,684	12,684
Capital redemption reserve	12	759	759
Profit and loss account	12	4,022	5,333
<b>Total Shareholders' funds</b>	13	<u>18,678</u>	<u>19,989</u>

These financial statements were approved by the Board of Directors on 28 April 2010 and were signed on its behalf by



JS Lambert  
Director

## **Notes**

### ***(forming part of the financial statements)***

#### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### ***Basis of preparation***

The financial statements are prepared in accordance with applicable UK accounting standards and under the historical cost convention. The Company has taken the exemption under FRS 1 not to present a cash flow statement on the grounds that the consolidated Group financial statements include the cashflows of the Company

The Company is a wholly owned subsidiary of Ruby Acquisitions Limited, a Company incorporated in England and Wales. Accordingly, advantage has been taken of the exemption allowed in the Companies Act 2006 not to prepare Group accounts. These accounts therefore reflect the results of the Company and not of its Group

As the Company is a wholly owned subsidiary of R&R Ice Cream Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis for the preparation of the financial statements.

#### ***Taxation***

The credit for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Investments***

Investments are stated at cost less provision for permanent diminution in value

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

**Notes (continued)**

**2. Operating loss**

	2009 £'000	2008 £'000
<i>Operating loss is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	5	5

Fees paid to KPMG LLP and its associates for non-audit services to the Company itself are not disclosed in Richmond Foods Ltd's accounts since the consolidated accounts of Richmond Foods Ltd's parent, R&R Ice Cream Ltd, are required to disclose non-audit fees on a consolidated basis

**3. Directors' remuneration**

	2009 £'000	2008 £'000
Directors emoluments	1,226	1,157
Company contributions to defined contribution pension scheme	90	82
	<u>1,316</u>	<u>1,239</u>

All Executive Directors have service contracts which provide for 12 months notice of termination

The Executive Directors receive a contribution towards the purchase and maintenance of their own cars totalling £68,000 for the period (2008: £62,000)

The remuneration of the highest paid Director during the period was £487,000 (2008 £466,000). During the period 3 Directors participated in the defined contribution pension scheme (2008 3).

**4. Staff numbers and costs**

The average number of persons employed by the Company (including non-executive Directors) during the period, analysed by category, was as follows

	Number of employees	
	2009	2008
Administration	4	4

There were no further payroll costs other than the Directors emoluments detailed in note 3

**Notes (continued)**

**5. Net interest payable and similar charges**

	2009 £'000	2008 £'000
Banks loans and overdrafts	766	1,491
Bank interest receivable	-	(68)
Loss/(gain) on exchange differences	206	(136)
	<u>972</u>	<u>1,287</u>

**6. Taxation**

	2009 £'000	2008 £'000
<b>Current tax</b>		
UK corporation tax credit at 28% (2008 28½%) on losses in period	(531)	(641)
	<u>(531)</u>	<u>(641)</u>

The tax credit assessed for the period is higher (2008 lower) than the average standard rate of corporation tax in the UK of 28% (2008 28½%). The differences are explained below

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(1,842)	(2,268)
Loss on ordinary activities multiplied by average standard rate of corporation tax in the UK of 28% (2008 28½%)	(516)	(646)
Expenses not deductible for tax purposes	6	5
Short term timing differences	(21)	-
Current tax credit for period	<u>(531)</u>	<u>(641)</u>

**7. Fixed asset investments**

	2009 £'000	2008 £'000
<b>Shares in subsidiary undertakings</b>		
Cost at 28 December 2008 and 27 December 2009	<u>3,863</u>	<u>3,863</u>

Richmond Foods Limited holds 100% of the issued share capital of R&R Ice Cream UK Limited, Richmond Shelf Company Limited and Richmond Foods (EBT1) Limited

## Notes (continued)

### 7. Fixed asset investments (continued)

R&R Ice Cream UK Limited is involved in the manufacture and sale of ice cream and frozen confectionery. Neither Richmond Shelf Company Limited or Richmond Foods (EBT1) Limited traded throughout the period.

The following companies are subsidiaries of R&R Ice Cream UK Limited. The only subsidiary which traded in the period was Kelly's of Cornwall Limited as a manufacturer of ice cream.

Kelly's of Cornwall Limited	75%
Richmond Ice Cream Limited	100%
Treats Frozen Confectionery Limited	100%
Oldfields Ice Cream Limited	100%
Creamice Limited	100%

The following companies are wholly owned subsidiaries of Richmond Shelf Company Limited, none of which have traded throughout the period.

Richmond Operations Limited  
Windsor Creameries Manufacturing Limited

The following companies are wholly owned subsidiaries of Kelly's of Cornwall Limited.

Kelly's of Bodmin Limited (retailer of ice cream)  
Kelly's Cornish Dairy Ices Limited (dormant Company)

### 8 Debtors

	2009 £'000	2008 £'000
Amounts owed by parent undertakings	-	2,504
Amounts owed by subsidiary undertakings	21,684	31,778
Amounts owed by other Group undertakings	6,631	990
Prepayments and accrued income	17	14
	<u>28,332</u>	<u>35,286</u>

### 9. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Bank loans	2,450	2,442
Accruals and deferred income	202	210
Amount owed to Group undertakings	272	650
Amounts owed to parent undertakings	875	-
	<u>3,799</u>	<u>3,302</u>

## Notes (continued)

### 10. Creditors: amounts falling due after more than one year

	2009 £'000	2008 £'000
Bank loans	9,718	16,418

### 11. Loans

Loans repayable, included within creditors, are analysed as follows

	2009 £'000	2008 £'000
Within one year (note 9)	2,450	2,442
Within two to five years	9,718	16,418
	<u>12,168</u>	<u>18,860</u>

The loans are repayable in varying instalments every 6 months, which increase throughout the term of the loan. The interest rates on the loans are variable based on LIBOR and an applicable margin. The loans are secured on the fixed and current assets of the parent Company Ruby Acquisitions Limited and its subsidiary undertakings.

One of the loans included above in 2008, has been transferred into another Group Company during the year.

Notes (continued)

12 Capital and reserves

	2009 £'000	2008 £'000
<b>Authorised</b>		
Equity 32,000,000 ordinary shares of 5p each	1,600	1,600
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
Equity 24,258,912 ordinary shares of 5p each (2008 24,258,912)	1,213	1,213
	<hr/>	<hr/>

	Share Premium £'000	Capital Redemption Reserve £'000	Profit and Loss Account £'000
At 29 December 2008	12,684	759	5,333
Retained loss for the period	-	-	(1,311)
	<hr/>	<hr/>	<hr/>
At 27 December 2009	12,684	759	4,022
	<hr/>	<hr/>	<hr/>

13. Reconciliation of movement in shareholders' funds

	2009 £'000	2008 £'000
Retained loss for the financial period and net movement in shareholders funds	(1,311)	(1,627)
	<hr/>	<hr/>
Opening shareholders' funds	19,989	21,616
	<hr/>	<hr/>
Closing shareholders' funds	18,678	19,989
	<hr/>	<hr/>

14. Ultimate parent company

The Company is a wholly owned subsidiary undertaking of Ruby Acquisitions Limited incorporated in England and Wales

The ultimate parent company is OCM Luxembourg Ice Cream SCA which is incorporated in Luxembourg

The largest and smallest group of undertakings for which Group accounts have been prepared is those prepared by R&R Ice Cream Limited.

The consolidated accounts of this Company are available to the public and may be obtained from Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL No other group accounts include the results of the Company