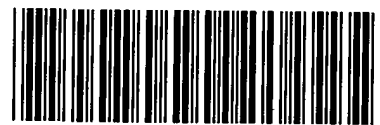


# **RICHMOND FOODS LIMITED**

## **Report and financial statements**

**52 weeks ended 28 December 2014**

WEDNESDAY



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## Strategic report

The directors present their annual report and the audited financial statements for the 52 weeks ended 28 December 2014.

## Principal activities

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 confectionary.

The main trading subsidiary, R&R Ice Cream UK Limited, has generated a healthy level of profitability in the year.

## Business model

Richmond Foods Limited is a holding company for R&R Ice Cream UK Limited which manufactures ice cream products at several factories across the UK for onward sale to the retail and foodservice markets.

## Business review and results

The results for the period after taxation amounted to a loss of £621,000 (2013: loss £3,049,000).

Operating losses reduced by £2.1 million from £2.5 million in 2013 to £0.4 million in 2014, largely due to £1.6 million of exceptional costs incurred in 2013 on share-based payments which crystallised following the sale of R&R Ice Cream plc from Oaktree Capital Management LLC to PAI Partners SAS.

## Principal risks and uncertainties

Principal risks and uncertainties affecting the company are as follows:

### Exchange rates

The Company had a substantial Euro denominated loan owing to its parent company, R&R Ice Cream plc. Accordingly the servicing of that loan and its ultimate repayment was in Euros therefore generating a substantial risk to fluctuations in exchange rates. On 31 October 2014 the Company successfully re-negotiated the terms of the loan such that the loan and the associated servicing costs are now denominated in GBP, thus removing the exchange rate risk.

Signed on behalf of the Board



AB Finneran  
Secretary

30 September 2015

Richmond House  
Leeming Bar  
Northallerton  
North Yorkshire  
DL7 9UL

## **Directors' report**

### **Business review and results**

The results for the period, after taxation, amounted to a loss of £621,000 (29 December 2013: loss £3,049,000). The results of the Company were in line with expectations. No dividends (2013: £nil) were declared and paid during the year.

### **Directors**

The Directors who held office during the period and up to the date of signing this report were as follows:

J S Lambert (resigned 14 July 2014)  
A B Finneran  
I Najafi

None of the directors benefited from qualifying third party indemnity provisions during the financial period or as at the date of this report.

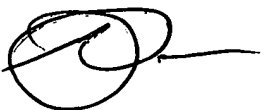
### **Disclosure of information to auditor**

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 they ought to have taken as a Director to make themselves aware of any 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.

By order of the board



**AB Finneran**  
*Secretary*

30 September 2015

Richmond House  
Leeming Bar  
Northallerton  
North Yorkshire  
DL7 9UL

Company Registration Number 2573163

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

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).

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 auditor's report to the members of Richmond Foods Limited**

We have audited the financial statements of Richmond Foods Limited for the period ended 28 December 2014 as set out on pages 6 to 14. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, 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 Ethical Standards for Auditor.

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

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

### **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 28 December 2014 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 Strategic Report, the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's 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.



**Claire Needham (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**30** September 2015

**Profit and loss account**  
*for the period ended 28 December 2014*

		52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
	<i>Note</i>		
Administrative expenses and operating loss (including £nil (2013: £1.6 million) of exceptional costs)	2	(428)	(2,513)
<b>Loss before interest and tax</b>		<b>(428)</b>	<b>(2,513)</b>
Net interest payable and similar charges	5	(360)	(982)
<b>Loss on ordinary activities before taxation</b>		<b>(788)</b>	<b>(3,495)</b>
Tax on loss on ordinary activities	6	167	446
<b>Loss for the financial period</b>		<b>(621)</b>	<b>(3,049)</b>

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.

The above results derive from continuing activities.



**Balance sheet**  
**at 28 December 2014**

	Note	28 December 2014 £'000	29 December 2013 £'000
<b>Fixed assets</b>			
Investments	7	3,863	3,863
<b>Current assets</b>			
Debtors	8	40,146	35,705
Creditors: amounts falling due within one year	9	(22,955)	(17,416)
<b>Net current assets</b>		<b>17,191</b>	<b>18,289</b>
<b>Total assets less current liabilities</b>		<b>21,054</b>	<b>22,152</b>
Creditors: amounts falling due after more than one year	10	(8,778)	(9,255)
<b>Net Assets</b>		<b>12,276</b>	<b>12,897</b>
<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
Capital contribution reserve	12	1,570	1,570
Profit and loss account	12	(3,950)	(3,329)
<b>Total Shareholders' funds</b>	13	<b>12,276</b>	<b>12,897</b>

These financial statements were approved by the Board of Directors on 30 September 2015 and were signed on its behalf by:



**A Finneran**  
Director

Company Registration Number 2573163

## 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 R&R Ice Cream Plc, 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 Plc, 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.

#### ***Share-based payments***

Where the Company's parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity settled in the consolidated accounts of the parent, the Company accounts for these share based payments as equity settled.

## Notes (continued)

### 2. Operating loss

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
<b>Operating loss is stated after charging</b>		
Auditors' remuneration:		
Audit of these financial statements	5	5
Exceptional operating costs - share-based payments	-	1,570
	<u>          </u>	<u>          </u>

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 the Group, are required to disclose non-audit fees on a consolidated basis.

### 3. Staff numbers and costs

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

	Number of employees 52 weeks ended 28 December 2014	52 weeks ended 29 December 2013
Administration	-	2
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Wages and salaries	-	933
Social security costs	-	107
Other pension costs	-	67
	<u>          </u>	<u>          </u>
	-	1,107
	<u>          </u>	<u>          </u>

From 1st July 2013 all the persons employed by the company became employees of Riviera Acquisitions Limited, an intermediate holding company within the Riviera Topco Limited group.

## Notes (continued)

### 4. Directors' remuneration

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Directors' emoluments	-	756
Company contributions to defined contribution pension scheme	-	42
	<u>-</u>	<u>798</u>

From 1st July 2013 all the directors employed by the company became employees of Riviera Acquisitions Limited, an intermediate holding company within the Riviera Topco Limited group.

### 5. Net interest payable and similar charges

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Banks loans and overdrafts	6	4
(Gain)/loss on exchange differences	(423)	160
Interest expense on parent company loan	777	818
	<u>360</u>	<u>982</u>

### 6. Taxation

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Current Tax		
UK corporation tax credit	(167)	(446)
	<u>(167)</u>	<u>(446)</u>

## Notes (continued)

### 6. Taxation (continued)

The tax credit for the period is lower (29 December 2013: lower) than the average standard rate of corporation tax in the UK of 21.5% (29 December 2013: 23.25%). The differences are explained below:

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Loss on ordinary activities before tax	(788)	(3,495)
Loss on ordinary activities multiplied by average standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(169)	(812)
Expenses not deductible for tax purposes	-	366
Short term timing differences	2	-
	<u>(167)</u>	<u>(446)</u>

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

### 7. Fixed asset investments

	28 December 2014 £'000	29 December 2013 £'000
Shares in subsidiary undertakings		
Cost at 29 December 2013 and 28 December 2014	3,863	3,863

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.

R&R Ice Cream UK Limited is involved in the manufacture and sale of ice cream and frozen confectionery. Neither Richmond Shelf Company Limited nor Richmond Foods (EBT1) Limited traded throughout the period.

## Notes (continued)

### 7. Fixed asset investments (continued)

The following companies are subsidiaries of Richmond Foods Limited.

Dormant subsidiaries:

Kelly's of Cornwall Limited	100%
Kelly's Cornish Dairy Ices Limited	100%
Richmond Ice Cream Limited	100%
Treats Frozen Confectionery Limited	100%
Oldfields Ice Cream Limited	100%
Creamice Limited	100%
Richmond Shelf Company Limited	100%
Richmond Foods (EBT1) Limited	100%
Richmond Operations Limited	100%
Windsor Creameries Manufacturing Limited	100%

Trading subsidiaries:

Fredericks Holdings (Guernsey) Limited	100%
Fredericks Holdings Limited	100%
Fredericks Dairies Limited	100%
Yoomoo International Limited	100%
R&R Ice Cream UK Limited	100%

### 8. Debtors

	28 December 2014 £'000	29 December 2013 £'000
Prepayments and accrued income	5	21
Amounts owed by parent undertaking	38,948	34,990
Amounts owed by other Group undertakings	1,193	694
	<hr/> 40,146 <hr/>	<hr/> 35,705 <hr/>

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

	28 December 2014 £'000	29 December 2013 £'000
Accruals and deferred income	148	253
Amount owed to subsidiary undertakings	22,807	17,163
	<hr/> 22,955 <hr/>	<hr/> 17,416 <hr/>

No formal arrangements for repayment of amounts owed to subsidiary undertakings exist. The balance is repayable on demand. In practice these amounts represent long term advances are unlikely to be repaid within one year. The balance is unsecured and interest free.

## Notes (continued)

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

	28 December 2014 £'000	29 December 2013 £'000
Amount owed to intermediate parent undertaking	8,778	9,255
	<u>8,778</u>	<u>9,255</u>

### 11. Loans

Loans repayable, included within creditors, are analysed as follows:

	28 December 2014 £'000	29 December 2013 £'000
Between two and five years	8,778	9,255
	<u>8,778</u>	<u>9,255</u>

On 29<sup>th</sup> October 2014 a loan was provided by the parent undertaking, R&R Ice Cream plc, to repay the existing borrowings of €11,109,000. This loan is denominated in GBP at the prevailing exchange rate on the date of the loan representing a total liability of £8,778,000. The loan carries a fixed rate of interest of 5.5% and the capital balance is repayable in one instalment on 15 May 2020.

### 12. Capital and reserves

	28 December 2014 £'000	29 December 2013 £'000
<b>Allotted, called up and fully paid</b>		
Equity: 24,258,912 ordinary shares of 5p each	1,213	1,213
	<u>1,213</u>	<u>1,213</u>

	Share Premium £'000	Capital Redemption Reserve £'000	Capital Contribution Reserve £'000	Profit and Loss Account £'000
At 29 December 2013	12,684	759	1,570	(3,329)
Loss for the period	-	-	-	(621)
At 28 December 2014	<u>12,684</u>	<u>759</u>	<u>1,570</u>	<u>(3,950)</u>

No dividends (29 December 2013: £nil) were declared and paid during the period.

## Notes (continued)

### 13. Reconciliation of movement in shareholders' funds

	28 December 2014 £'000	29 December 2013 £'000
Loss for the period	(621)	(3,049)
Movement on capital contribution reserve	-	1,570
	<hr/>	<hr/>
Net movement in shareholders' funds	(621)	(1,479)
Opening shareholders' funds	12,897	14,376
	<hr/>	<hr/>
Closing shareholders' funds	12,276	12,897
	<hr/> <hr/>	<hr/> <hr/>

### 14. Ultimate parent company

The immediate parent undertaking is Ruby Acquisitions Limited incorporated in England and Wales, and the ultimate UK parent undertaking is Riviera Topco Limited, incorporated in England and Wales.

The ultimate parent company is Riviera Topco Sarl which is incorporated in Luxembourg.

The smallest group of undertakings for which Group accounts have been prepared is those prepared by R&R Ice Cream plc and the largest such group is Riviera Midco SA.

The consolidated accounts of R&R Ice Cream plc 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.