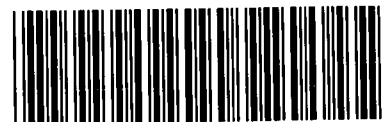


**Nomad Foods Europe Finance Limited**

**Annual Report and Financial Statements**  
**For Year Ended 31 December 2021**

Registered number 07101059

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**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

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**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

## **Strategic Report**

The Directors present their Strategic Report on Nomad Foods Europe Finance Limited (the 'Company') for the year ended 31 December 2021.

Nomad Foods Europe Finance Limited is a company registered in England & Wales and a member of the Nomad Foods Limited Group of Companies (the 'Group') which produce and market frozen food products under a range of iconic brands, including *Birdseye*, *Iglo*, *Findus*, *Ledo* and *Frikom*.

### **Business review and future developments**

The Company is an indirectly wholly owned subsidiary of Nomad Foods Limited and the principal activity of the Company is to carry out treasury related transactions on behalf of subsidiary companies of the Group. The Directors do not intend, at the date of this report that there will be any major changes in the Company's activities in the next year.

As at 31 December 2021, the Company had net assets of €12,772 (2020 net liabilities: €33,628).

The Statement of Comprehensive Income and the Statement of Financial Position on pages 9 and 10 of the financial statements show the Company's financial result for the year and position at the year end.

On July 29, 2021 the Company extended its cross-currency interest rate swaps ("CCIRS") that are used by the Group to hedge the foreign currency and interest rate risk on a Senior Secured USD Term Loan from May 15, 2022 to May 15, 2024. As part of the transaction, the EUR fixed rate paid by the Company has been amended and reflected in the underlying interest cost. The transaction was considered to be a substantial modification of the financial instruments. CCIRS contracts that were previously used as a net investment hedge of the Company's investments in Pound Sterling have also been extinguished. A change in fair value of the CCIRS arose as a consequence of the transaction, which the Company has elected to write off immediately as a cost of extinguishment (non-cash loss of €6.7 million). Like all fair value gains and losses on these derivatives, the loss has been recharged to Nomad Foods Europe Limited.

### **Principal risks and uncertainties**

The Company's risks are managed by the Group at a Group level rather than at an individual company level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's most recent quarterly interim financial statements for the three and six month periods ended 30 June 2022 which can be found on the Group's website at <https://www.nomadfoods.com/investors/sec-filings/>

### **Key performance indicators**

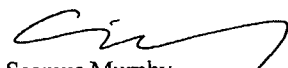
The Group manages its operations on a single segment basis, 'Frozen'. As a non-trading Group entity, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The performance of the Group's central functions, which includes the Company, is discussed in the Operating and Financial Review section of the Group's Annual Report for the period to 31 December 2021.

### **Statement pursuant to Section 172(1) of the Companies Act 2006 ("Act")**

The Directors consider, both individually and together, that they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for its members as a whole having regard to its stakeholders and the matters set out in S.172 (1) (a-f) of the Act.

As the Company is a wholly owned subsidiary of the Group and given its principal activities as discussed above, its parent company and other members of the Group are its key stakeholders. Accordingly, the interests of the Group have been taken into account by the Directors and decisions have been made in alignment with the board of Nomad Foods Limited, taking care that any independent interests of the Company and its stakeholders are considered. The Company's other stakeholders are the debt investors who provide capital to the Group and the relationships with them are maintained via a comprehensive investor relations programme, which can be accessed by the Group's website, supported by a Group Treasury function that ensures compliance with the terms of debt arrangements. The Company has no employees.

On behalf of the Board:



Seamus Murphy  
On behalf of Nomad Foods Europe Limited  
22 September 2022

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

## **Directors' Report**

The Directors present their report and the audited financial statements of Nomad Foods Europe Finance Limited (the 'Company') for the year ended 31 December 2021.

### **Results and dividends**

The profit for the year, after taxation, amounted to €46,400 (2020: €64,442). The Directors do not recommend the payment of a dividend for 2021 (2020: €nil).

Details of future activities are contained within the Strategic Report on page 2.

### **Directors**

The Directors and officers of the Company who served throughout the year and up to the date of signing these financial statements were as follows:

- Stefan Descheemaeker
- Nomad Foods Europe Limited
- Samy Zekhout

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' Officers' liability insurance in respect of itself and its Directors.

### **Going concern**

These financial statements have been prepared on a going concern basis, as discussed in note 2 to the financial statements.

The Company relies on the Group's cash flow, and as such Nomad Foods Limited has signed a letter of support in relation to Nomad Foods Europe Finance Limited. Nomad Foods Limited's intention is to provide sufficient financial resources to Nomad Foods Europe Finance Limited so that the Company can meet its liabilities as they fall due.

Based on the review of the business plan, the Directors have satisfied themselves of the Group's ability to continue as a going concern based on current cash flow projections and the conditions of the Group borrowing facilities. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of this report. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

### **Management discussion on the ongoing conflict between Ukraine and Russia**

We are monitoring the situation in Ukraine closely given the current and potential impacts of the conflict on our Group's operations, financial condition and results of operations. Although the Group has no commercial operations or manufacturing footprint in either Russia or Ukraine, the Group is seeing unprecedented input cost inflation and increased complexity and volatility in our supply chain due to the crisis.

### **Financial Risk Management**

Details of the Company's financial risk objectives and policies and of the Company's exposure to credit risk and liquidity risk are included in note 10 to the financial statements.

### **Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Directors' Report (continued)**

**Statement in accordance with Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008**

The Directors of the Company have considered who the Company's stakeholders are and the manner and effect of decisions taken during the year and these are set out where relevant in the Strategic Report on page 2. They do not regard that any particular strategic decisions or matters affecting the company's business have taken place during the year which should be highlighted.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Statement of directors' responsibilities in respect of the Financial Statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

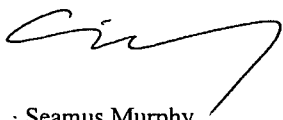
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board:



Seamus Murphy  
On behalf of Nomad Foods Europe Limited

22 September 2022

Nomad Foods Europe Finance Limited  
1 New Square  
Bedfont Lakes  
Feltham  
Middlesex TW14 8HA  
United Kingdom

Registered number: 07101059

# Independent auditors' report to the members of Nomad Foods Europe Finance Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Nomad Foods Europe Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate the financial results. Audit procedures performed by the engagement team included:

- Enquired with management as to what laws are applicable to the Company
- Reviewed board minutes to identify any instances of non-compliance with laws and regulations
- Enquired with the Nomad Foods Group tax and legal teams to understand if there were any instances of non-compliance during the year
- Tested manual journal entries posted to identify any instances of management override of controls

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Sarah Quinn (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

22 September 2022

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Statement of Comprehensive Income**  
**For the Year Ended 31 December**

	Note	2021 €	2020 €
Revenue	5	67,024	67,863
Administrative expenses		(63,832)	(64,631)
<b>Operating profit</b>	6	<b>3,192</b>	<b>3,232</b>
Finance income	7	184,527	241,968
Finance costs	8	(141,319)	(180,758)
<b>Profit before taxation</b>		<b>46,400</b>	<b>64,442</b>
Tax on profit	9	-	-
<b>Profit for the financial year</b>		<b>46,400</b>	<b>64,442</b>
<b>Total comprehensive income for the year</b>		<b>46,400</b>	<b>64,442</b>

The notes on pages 12 to 18 are an integral part of these financial statements.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Statement of Financial Position**  
**As at 31 December**

		2021	2020
	Note	€	€
<b>Non-Current Asset</b>			
Derivative Financial Assets	11	13,883,691	106,680,733
<b>Total Non-Current Assets</b>		<u>13,883,691</u>	<u>106,680,733</u>
<b>Current assets</b>			
Amounts owed by Parent undertakings		21,310,974	1,704,991
Derivative financial assets	11	27,449,531	41,625,738
<b>Total current Assets</b>		<u>48,760,505</u>	<u>43,330,729</u>
<b>Current liabilities</b>			
Amounts owed to Parent undertakings		14,617,240	1,738,619
Derivative financial liabilities	11	27,446,432	41,625,738
<b>Total current liabilities</b>		<u>42,063,672</u>	<u>43,364,357</u>
<b>Net current assets/(liabilities)</b>		<u>6,696,833</u>	<u>(33,628)</u>
<b>Total assets less current liabilities</b>		<u>20,580,524</u>	<u>106,647,105</u>
<b>Non-Current Liabilities</b>			
Derivative financial liabilities	11	20,567,752	106,680,733
<b>Total Non-Current Liabilities</b>		<u>20,567,752</u>	<u>106,680,733</u>
<b>Net assets</b>		<u>12,772</u>	<u>(33,628)</u>
<b>Equity</b>			
Called up share capital	12	2	2
Retained earnings/(Accumulated losses)		12,770	(33,630)
<b>Total equity</b>		<u>12,772</u>	<u>(33,628)</u>

The notes on pages 12 to 18 are an integral part of these financial statements.

The financial statements on pages 9 to 18 were approved by the Board of Directors on 22 September 2022 and were signed on its behalf by:



Seamus Murphy  
On behalf of Nomad Foods Europe Limited

Registered number: 07101059

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2021**

	<b>Called Up Share capital</b>	<b>Retained earnings/ (Accumulated losses)</b>	<b>Total Equity</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>Balance at 1 January 2020</b>	2	(98,072)	(98,070)
Profit and total comprehensive income for the year	-	64,442	64,442
<b>Balance at 31 December 2020</b>	<u>2</u>	<u>(33,630)</u>	<u>(33,628)</u>
Profit and total comprehensive income for the year	-	46,400	46,400
<b>Balance at 31 December 2021</b>	<u><u>2</u></u>	<u><u>12,770</u></u>	<u><u>12,772</u></u>

The notes on pages 12 to 18 are an integral part of these financial statements.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

## **Notes to the Financial Statements**

### **1 General Information**

Nomad Foods Europe Finance Limited (“the Company”) is domiciled in the United Kingdom and incorporated in the United Kingdom under the Companies Act 2006. The Company’s registered address is 1 New Square, Bedford Lakes Business Park, Feltham, Middlesex, TW14 8HA, United Kingdom and its’ registered number is 07101059.

### **2 Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Nomad Foods Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Nomad Foods Limited are prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted by the European Union, and are available to the public and may be obtained from <https://www.nomadfoods.com/investors/>

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements. These financial statements are presented in Euros, which is the Company’s functional currency.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, ‘Presentation of financial statements’:
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, ‘Statement of cash flows’.
- IFRS 7, ‘Financial instruments: Disclosures’.
- Paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraphs 30 and 31 of IAS 8, ‘Accounting policies, changes in accounting estimates and errors’ (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, ‘Related party disclosures’ (key management compensation).
- The requirements in IAS 24, ‘Related party disclosures’, to disclose related party transactions entered into between two or more members of a group.

### **Going concern**

These financial statements have been prepared on a going concern basis. The Company relies on the Group’s cash flow, and as such Nomad Foods Limited has signed a letter of support in relation to Nomad Foods Europe Finance Limited. Nomad Foods Limited’s intention is to provide sufficient financial resources to Nomad Foods Europe Finance Limited so that the Company can meet its liabilities as they fall due.

Based on the review of the business plan, the Directors have satisfied themselves of the Group’s ability to continue as a going concern based on current cash flow projections and the conditions of the Group borrowing facilities. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of this report. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Notes to the Financial Statements (continued)**

**3 Accounting policies**

The accounting policies set out below have, unless otherwise stated, been applied consistently.

**(a) Measurement convention**

The financial statements are prepared on the historical cost basis except that financial instruments are stated at fair value.

**(b) Foreign currency**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. 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 translated at foreign exchange rates ruling at the dates the fair value was determined.

**(c) Financial instruments**

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and are measured at amortised cost.

**(ii) Amounts owed by Group undertakings**

Amounts due from Group undertakings are measured at initial recognition at fair value less attributable borrowing fees and are subsequently measured at amortised cost using the effective interest method, less any expected credit loss allowance.

Expected credit loss allowances are recognised in profit or loss.

**(iii) Derivative financial instruments**

Derivative financial instruments are recognised at fair value. When a derivative is not designated in a hedge relationship that qualifies for hedge accounting all changes in its fair value are recognised immediately in the Statement of Profit or Loss. Where a derivative qualifies for hedge accounting recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of all financial derivative instruments (including but not limited to forward foreign exchange contracts, currency swaps and cross currency interest rates swaps), is determined per market standard using forward foreign exchange and interest rates at the balance sheet date, with the resulting value discounted back to present value.

Cross currency interest rate swaps can be entered into in order to mitigate perceived risks to foreign exchange translation risk and interest rate risk.

When a derivative financial instrument is substantially modified, any fair value gain or loss is recognized immediately in the Consolidated Statement of Profit or Loss.

**(d) Revenue**

Revenue is recognised when management services have been performed and represents amounts receivable from Group undertakings for management services provided by the Company on behalf of those undertakings.

**(e) Finance costs**

Unless capitalised as part of the cost of borrowing, borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Notes to the Financial Statements (continued)**

**3 Accounting policies (continued)**

**(f) Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

**4 Critical accounting estimates and judgements**

The preparation of financial statements in accordance with FRS 101 requires the use of judgement in applying the accounting policies and estimation that affect the reported amounts of assets and liabilities and results. Actual results could differ from those estimates and the financial statements will be impacted by key judgements taken.

**Key judgements**

No key judgements have been made in the preparation of these financial statements.

**Significant estimates**

Information about estimates and assumptions that have significant effects on the amounts reported are listed below. In forming these estimates, management have taken into account the impact and potential future impact of COVID-19 as well as the ongoing conflict between Ukraine and Russia. Management will continue to assess the impact of future developments in relation to these matters as it relates to estimates.

(i) The Company makes an estimate of the recoverable value of assets due from Group companies. When assessing impairment of these assets, management considers factors including the credit rating of the Group, cash flow forecasts for the Group, the aging profile of the assets and historical experience. The assumptions used are reviewed on an ongoing basis. Actual results may differ from these estimates. No loss allowance has been recognised on assets due from Group companies.

(ii) Note 11 includes details of the fair value of the derivative instruments that the Company holds at 31 December 2021 and 2020. Management has estimated the fair value of these instruments by using valuations based on discounted cash flow calculations.

**5 Revenue**

Revenues derive from the recharge of services and is derived entirely from the United Kingdom.

**6 Operating profit**

Operating profit is stated after charging:

	2021	2020
	€	€
Recharges from other Group companies	63,832	64,631

Audit fees of €3,100 for the year ended 31 December 2021 and €3,100 for the year ended 31 December 2020 were borne by another Group undertaking.

There were no employees during the year (2020: nil). None of the Directors received remuneration in respect of services provided to the Company.

**7 Finance income**

	2021	2020
	€	€
Interest receivable	-	500
Net fair value gains on derivatives	184,527	241,468
<b>Finance income</b>	<b>184,527</b>	<b>241,968</b>

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**8 Finance costs**

	2021	2020
	€	€
Interest expenses	141,319	180,758
<b>Finance costs</b>	<b>141,319</b>	<b>180,758</b>

Interest expenses relates to interest payable on amounts held in the Group cash pool arrangement, in which the Company is a participant.

**9 Tax on profit**

**Recognised in the Statement of Comprehensive Income**

	2021	2020
	€	€
Current tax expense	-	-
<b>Total tax in Statement of Comprehensive Income</b>	<b>-</b>	<b>-</b>

**Reconciliation of effective tax rate**

	2021	2020
	€	€
Profit before taxation	46,400	64,442
Tax charge using the UK corporation tax rate of 19% (2020: 19%)	8,816	12,244
Group relief surrendered for nil consideration	(8,816)	(12,244)
<b>Total tax in Statement of Comprehensive Income</b>	<b>-</b>	<b>-</b>

Following the enactment of the Finance Act 2016, the standard rate of corporation tax in the UK is 19% for 2021 (2020: 19%). The UK government announced an increase in the statutory rate of corporation tax from 19% to 25% with effect from April 1, 2023, substantively enacted on May 24, 2021. There is no impact from this rate change.

**10 Financial risk management**

**(a) Overall risk management policy**

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk.

The Company's risks are managed by Group at a Group level rather than at an individual company level. The Group's overall risk management programme focuses on minimising potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is led by senior management and is mainly carried out by a central treasury department which identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

**(b) Capital risk management policy**

The Company's objectives when managing capital are to maximise shareholder value while safeguarding the Company's ability to continue as a going concern. The overall structuring of the Group is managed at a Group level rather than at an individual company level.

Total capital is calculated as "total equity" as shown in the Statement of Financial Position, plus net debt. Net debt is calculated as cash and cash equivalents plus derivatives used for the purpose of hedging currency and interest exposure on the Group's loans and borrowings.



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**10 Financial risk management (continued)**

(c) Credit risk & liquidity risk

*Description*

Credit risk arises on derivative financial instruments with banks and financial institutions.

Liquidity risk arises as the Company is exposed to the risk that it is unable to meet its commitments to repay group and third party commitments as they fall due.

*Mitigation*

In line with Group policy, the Company limits counterparty exposures by monitoring each counterparty carefully and where possible, sets credit limits according to approved Group treasury policy. The Group limits its exposure to individual financial institutions by diversification of exposure across a range of financial institutions, including forward foreign exchange contracts, cross currency interest rate swaps and surplus cash deposits.

The Company reviews whether it will have sufficient funds to continue to meet its commitments as they fall due and receives funding and support from the Group to ensure that it can meet its commitments. The Group ensures that it has sufficient cash and available funding through regular cash flow and covenant forecasting.

**11 Financial instruments**

(a) Categories of financial instruments

The following table shows the carrying amount of each statement of financial position class split into the relevant category of financial instrument as defined in IFRS 9 "Financial Instruments".

<b>2021</b>	<b>Financial assets at amortised cost €</b>	<b>Derivatives at fair value through Profit and Loss €</b>	<b>Total €</b>
<b>Assets</b>			
Derivative financial assets	-	41,333,222	41,333,222
Amount owed by Parent	21,310,974	-	21,310,974
<b>Liabilities</b>			
Derivative financial liabilities	-	(48,014,184)	(48,014,184)
Amount owed to Parent	(14,617,240)	-	(14,617,240)
<b>Total</b>	<b>6,693,734</b>	<b>(6,680,962)</b>	<b>12,772</b>

<b>2020</b>	<b>Financial assets at amortised cost €</b>	<b>Derivatives at fair value through Profit and Loss €</b>	<b>Total €</b>
<b>Assets</b>			
Derivative financial assets	-	148,306,471	148,306,471
Amount owed by Group undertakings	1,704,991	-	1,704,991
<b>Liabilities</b>			
Derivative financial liabilities	-	(148,306,471)	(148,306,471)
Amount owed to Parent	(1,738,619)	-	(1,738,619)
<b>Total</b>	<b>(33,628)</b>	<b>-</b>	<b>(33,628)</b>

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**Notes to the Financial Statements (continued)**

**11 Financial instruments (continued)**

**(b) Fair values**

The following summarises the methods and assumptions of estimating the fair values of financial instruments held by the Group.

*Derivative financial instruments*

Derivative financial instruments are held at fair value. There is no difference between carrying value and fair value. The financial instruments are not traded in an active market, and so the fair value of these instruments is determined by valuation techniques. The valuation technique utilised by the Group maximise the use of observable market data where it is available. All significant inputs required to fair value the instrument are observable. These are classified as level 2 instruments as defined in IFRS 13 'Fair value measurement'.

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group has USD debt held by Nomad Foods Lux S.a.r.l (Luxco) and lent to Nomad Foods Europe Limited (NFEL), a fellow group entity. The Company enters into cross currency interest rate agreements to swap this USD debt into Euros and Pound Sterling. The Swaps are held by the Company, with back-to-back agreements with NFEL. Payments to and receipts from swaps are made monthly by the Company.

On July 29, 2021 the Company extended its cross-currency interest rate swaps ("CCIRS") that are used by the Group to hedge the foreign currency and interest rate risk on a Senior Secured USD Term Loan from May 15, 2022 to May 15, 2024. As part of the transaction, the EUR fixed rate paid by the Company has been amended and reflected in the underlying interest cost. The transaction was considered to be a substantial modification of the financial instruments. CCIRS contracts that were previously used as a net investment hedge of the Company's investments in Pound Sterling have also been extinguished. A change in fair value of the CCIRS arose as a consequence of the transaction, which the Company has elected to write off immediately as a cost of extinguishment (non-cash loss of €6.7 million). Like all fair value gains and losses on these derivatives, the loss has been recharged to NFEL.

*Group receivables/payables*

The notional amount of trade and other receivables/payables are deemed to be carried at fair value, short term, and settled in cash.

**(c) Derivatives**

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Cross Currency Interest Rate Swap Contracts - External	-	17,152,795
Cross Currency Interest Rate Swap Contracts - Internal	13,883,691	89,527,938
Foreign Currency Forward Contracts – External	20,153,928	5,528,112
Foreign Currency Forward Contracts – Internal	7,295,603	36,097,626
<b>Total Derivative financial assets:</b>	<b>41,333,222</b>	<b>148,306,471</b>
Cross Currency Interest Rate Swap Contracts - External	(20,567,752)	(89,527,938)
Cross Currency Interest Rate Swap Contracts - Internal	-	(17,152,795)
Foreign Currency Forward Contracts – External	(7,292,411)	(36,097,626)
Foreign Currency Forward Contracts – Internal	(20,154,021)	(5,528,112)
<b>Total derivative financial liabilities</b>	<b>(48,014,184)</b>	<b>(148,306,471)</b>

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**Notes to the Financial Statements (continued)**

**11 Financial instruments (continued)**

**Off-setting of derivatives**

External derivative contracts are held under ISDA agreements with financial institutions. An ISDA is an enforceable master netting agreement that permits the Group to settle net in the event of default.

	Gross value of financial assets available for offsetting €	Gross value of financial liabilities available for offsetting €	Net amount available for offsetting €
<b>2021</b>			
Derivatives - assets	20,153,928	(10,737,860)	9,416,068
Derivatives – liabilities	(27,860,163)	10,737,860	(17,122,303)
<b>2020</b>			
Derivatives - assets	22,680,907	(22,680,907)	-
Derivatives – liabilities	(125,002,640)	22,680,907	(102,321,733)

**12 Called up share capital**

	2021 €	2020 €
2 Ordinary shares Authorised, Allocated and Called up of £1 each (2020: 2 shares) – unpaid	2	2
<b>Shares classified in shareholders' funds</b>	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**13 Related parties**

The Company has taken the exemption available under FRS 101.8(k) to not disclose related party transactions with wholly owned group companies.

**14 Ultimate parent company**

Nomad Foods Europe Limited is the immediate parent of the Company, registered at 1 New Square, Bedford Lakes Business Park, Feltham, Middlesex, TW14 8HA, United Kingdom (registration number: 05879466).

Nomad Foods Limited is the ultimate controlling party of the Company. Nomad Foods Limited is also the parent undertaking of the only group for which consolidated financial statements are drawn up and is registered at Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (registration number: FC033111).

The consolidated financial statements are available to the public and may be obtained from the Group's website [www.nomadfoods.com](http://www.nomadfoods.com) or through writing to the Company at 1 New Square, Bedford Lakes Business Park, Feltham, Middlesex, TW14 8HA, United Kingdom.