

Company Registration No.08457499

RIVIERA ACQUISITIONS LIMITED

Report and financial statements

31 December 2017



Contents

Strategic report.....	1
Directors' report	3
Independent auditors' report to the members of Riviera Acquisitions Limited.....	5
Income statement for the year ended 31 December 2017	8
Statement of financial position as at 31 December 2017	9
Statement of changes in equity for the year ended 31 December 2017	10
Notes to the financial statements	11

Strategic report

Principal activities

Riviera Acquisitions Limited's principal activity during the year was as a holding company of R&R PIK PLC. R&R PIK PLC indirectly owns the Froneri International plc trading group.

Business review and results

The results for the financial year, after taxation, amounted to a loss of €39,000 (year ended 31 December 2016: €7,404,000).

On 1 October 2016, following the successful conclusion of the required regulatory clearances, the entire activities of R&R Ice Cream plc ("R&R") (including the shares of the parent undertaking of Riviera Acquisitions Limited) and part of the ice cream and frozen food businesses of Nestlé SA ("Nestlé") were merged in a new joint venture vehicle, Froneri Limited ("Froneri").

The joint venture, which is owned and controlled in equal shares between R&R's previous owners, the private equity firm PAI Partners ("PAI"), and Nestlé, brings together decades of business and manufacturing. Nestlé and R&R have a longstanding and successful relationship, with R&R producing and distributing Nestlé brands in the UK since 2001 and subsequently in Australia and South Africa, in 2014 and 2015 respectively.

Froneri operates in Europe, Egypt, South Africa, Brazil, Argentina, Australia and the Philippines. The group produces ice cream, frozen food and chilled dairy products. Froneri is the second largest manufacturer of ice cream in Europe and the third largest manufacturer of ice cream globally.

Key performance indicators

The key performance indicator is in respect of monitoring the carrying value of its investments and intercompany loans of R&R PIK plc and therefore Froneri International plc. The company monitors the performance of the Froneri International plc group based on net sales, EBITDA and free cash flow.

Principal risks and uncertainties

The principal risk of the Company relates to the valuation and recoverability of its loans and investments in R&R PIK plc. At 31 December 2017, the intercompany loan was €285,643,000 (2016: €285,643,000). The company is to continue to operate as a holding company.

Strategic report (*continued*)

Going concern

At 31 December 2017, the company has net liabilities of €43,383,000 (2016: €43,344,000). As set out above, the company is reliant on the trading and cash generation of the Froneri International plc group, to enable it to support the carrying values of its investments. The Directors have considered the budgets of the company and of the Froneri International plc group, and after making appropriate enquiries, the Directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and has therefore adopted a going concern basis in the preparation of the financial statements.

On behalf of the board



M Mattia
Director

Richmond House
Leeming Bar, Northallerton
North Yorkshire, DL7 9UL

25 June 2018
Registration: 08457499

Directors' report

The Directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017.

Dividends

The directors do not recommend the payment of a dividend (2016: €nil).

Directors

The Directors of the company who held office during the year and up to the date of signing the financial statements (unless otherwise stated) were as follows:

I Najafi
D Martinez (resigned 31 May 2018)
P Griffin
M Mattia (appointed 1 June 2018)

In accordance with the articles of association, no directors retire by rotation.

As permitted by the Articles of Association, each of the Directors has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each Director during the year, and is currently in force. The Company also maintains Directors' and Officers' liability insurance in respect of itself and its Directors.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Future developments

The company will continue to be a holding company.

Going concern

Going concern is discussed in the strategic report.

Financial risk management policies and objectives

The company finances its activities with a combination of shareholder loans and cash. Other financial assets and liabilities arise directly from the company's operating activities.

Directors' report (*continued*)

Financial risk management policies and objectives (*continued*)

The main risks associated with the company's financial assets and liabilities are set out as below:

- the company's intercompany loan from Froneri Limited (£64,600,000) is denominated in GBP Sterling. Whilst the Froneri Limited group believes that it has put in place an effective hedging strategy with regard to those liabilities, there remains the risk of mismatch between the underlying cash flows, assets and liabilities of the company's trading subsidiaries and the company's loan liabilities and debt servicing obligations; and
- the company's intercompany loan from its immediate parent (€277,242,000) is interest free and its loan from Froneri Limited bears interest at 4.7% plus LIBOR. Consequently, there is only a small interest rate risk on these instruments.

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the group. The group has established a group treasury function and mitigates currency risk through natural hedging opportunities where possible. Investment is carefully controlled, with authorisation limits operating up to group Board level.

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 for the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

On behalf of the board



M Mattia
Director
25 June 2018

Independent auditors' report to the members of Riviera Acquisitions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Riviera Acquisitions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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 Report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2017; the Income statement and the 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

Independent auditors' report to the members of Riviera Acquisitions Limited (continued)

Reporting on other information (continued)

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2017 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 set out on page 4, 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.

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. 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.

Independent auditors' report to the members of Riviera Acquisitions Limited (continued)

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 received 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.

Ian Morrison

Ian Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
25 June 2018

Income statement for the year ended 31 December 2017

	Note	2017 €'000	2016 €'000
Other operating income		-	2,655
Administrative credit / (expense) (2016 included exceptional costs of €5.7m)		50	(8,072)
Operating profit / (loss)	3	50	(5,417)
Finance costs	5	(476)	(2,245)
Loss before taxation		(426)	(7,662)
Tax on loss	6	387	258
Loss for the financial year		(39)	(7,404)

The results for the current and prior year derive from continuing activities.

There is no other comprehensive income or expense for the year.

Statement of financial position as at 31 December 2017

	Note	2017 €'000	2016 €'000
Fixed assets			
Investments	7	5,591	5,591
Current assets			
Trade and other receivables	8	302,406	303,841
Cash at bank and in hand		232	981
		302,638	304,822
Creditors: amounts falling due within one year	9	(351,612)	(353,757)
Net current liabilities		(48,974)	(48,935)
Total assets less current liabilities		(43,383)	(43,344)
Net liabilities		(43,383)	(43,344)
Capital and reserves			
Called up share capital	10	-	-
Capital contribution reserve		5,140	5,140
Profit and loss account		(48,523)	(48,484)
Total shareholders' deficit		(43,383)	(43,344)

The financial statements on pages 8 to 24 were approved by the board of directors on 25 June 2018 and were signed on its behalf by:



M Mattia

Registration number: 08457499

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital €'000	Capital contribution reserve €'000	Profit and loss account €'000	Total shareholders' deficit €'000
At 1 January 2016	-	-	(41,080)	(41,080)
Loss for the financial year and total comprehensive expense	-	-	(7,404)	(7,404)
Transactions with owners, recorded directly in equity				
Share based payment (note 3)	-	5,140	-	5,140
At 31 December 2016	-	5,140	(48,484)	(43,344)
Loss for the financial year and total comprehensive expense	-	-	(39)	(39)
At 31 December 2017	-	5,140	(48,523)	(43,383)

Notes to the financial statements

1. General information

The principal activity of the company during the year was a holding company of R&R PIK plc and is expected to remain so for the foreseeable future. The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Richmond House, Leeming Bar, Northallerton DL7 9UL.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are presented in Euro, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the years presented.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101) and, the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's ultimate parent and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies (the company has no other related party transactions); and
- Roll-forward reconciliations in respect of share capital (IAS 1).
-

The company is a wholly owned subsidiary of Froneri Limited and is included in the consolidated financial statements of Froneri Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

Notes to the financial statements (*continued*)

2. Summary of significant accounting policies (*continued*)

2.1 Basis of preparation (*continued*)

Going Concern

At 31 December 2017, the company has net liabilities of €43,383,000 (2016: €43,344,000). The company is reliant on the trading and cash generation of the Froneri International plc group, to enable it to meet its obligations. The Directors have considered the budgets of the company and of the Froneri International plc group, and after making appropriate enquiries, the Directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and has therefore adopted a going concern basis in the preparation of the financial statements.

2.2 New standards and amendments

No new accounting standards that are effective for the year ended 31 December 2017, have had a material impact on the company.

2.3 Taxation

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

Deferred tax is recognised, where applicable, using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using the prevailing tax rates. The deferred tax balance has not been discounted.

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

2.4 Exceptional items

The company presents as exceptional items those material items of income or expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation. This allows users of the accounts to better understand the elements of financial performance in the year, so as to better assess trends in financial performance.

2.5 Share-based payment transactions

Share-based payment arrangements in which the group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Notes to the financial statements (*continued*)

2. Summary of significant accounting policies (*continued*)

2.5 Share-based payment transactions (*continued*)

Share-based payment transactions in which the group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

2.6 Investments in subsidiaries

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

2.7 Foreign currencies

The company's functional currency and presentation currency is the Euro. Transactions in foreign currencies are initially recorded at the spot rate ruling at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

2.8 Interest bearing loans

Loans and borrowings are initially recognised at fair value of the consideration received net of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

2.9 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported values of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and other judgements reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. Significant areas of estimates and judgement for the company are:

- Valuation of investments, the carrying value of loans and the related assessment for impairment. Management reviews the carrying value of its investments and loans annually or if a trigger for impairment arises in the period. In making this assessment management takes into account factors including the price of recent acquisitions (in particular the EBITDA multiple for the transaction) and if appropriate performing impairment tests with reference to value in use calculations. This includes the use of the following key assumptions: discount factors, the annual budget and three-year strategic plan, and estimates in respect of growth rates and margins based on past performance and management's experience of growth rates and margins achievable in key markets.
- Measurement and recognition of intercompany balances related to group relief of tax losses within its UK corporation tax group. Significant judgement is required in determining current tax assets and this includes reassessing judgements formed in previous periods when circumstances change, such as changes in legislation, dialogue with tax authorities or other factors. Where this is the case, the judgement exercised in these matters may cause the company to alter balances from the amount initially recognised, and such differences will impact the current tax assets/ liabilities and credit/ charge in the period of determination. In particular judgement is required in respect to the deductibility of finance charges and exceptional costs.

Notes to the financial statements (continued)

3. Operating profit / (loss)

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

	2017	2016
	€'000	€'000
Management fee	-	2,655
Exceptional costs	-	(5,721)

In the year ended 31 December 2016 exceptional costs of €5,140,000 related to a share based payment charge which crystallised on the grant of shares under the R&R group management incentive scheme as part of the creation of the Froneri Limited joint venture. Under the group management incentive plan shares of Riviera Midco SA were granted to, and the subscription price of €1 was paid by, certain employees and senior management.

In the year to 31 December 2016 a total of 5,841 shares were granted and subscribed for €1. These shares were acquired by Froneri Limited at market value of €880 per share. A share based payment €5,140,000 was recognised on the difference between the market value of the shares issued and the subscription price of the shares. Other shares held by certain employees and senior management were exchanged for shares in Froneri Limited. In the year to 31 December 2017 no shares were granted.

In the year ended 31 December 2016 the exceptional costs included €581,000 relating to German real estate tax paid in respect of the acquisition of the R&R group in 2013.

Auditors' remuneration

	2017	2016
	€'000	€'000
Auditors' remuneration – for the audit of financial statements	4	2

The audit fee is borne by a fellow group undertaking.

Notes to the financial statements (continued)

3. Operating profit / (loss) (continued)

Remuneration of directors

	2017	2016
	€'000	€'000
Directors' emoluments	-	1,885
Contributions to money purchase pension scheme	-	69

In the year ended 31 December 2017 the directors were remunerated by other group entities and their costs are therefore not included in this company. In the year ended 31 December 2016 the aggregate remuneration of the highest paid director was €1.2 million and the company made payments into two directors' money purchase pension schemes.

In the year ended 31 December 2016 as part of the creation of the Froneri Limited joint venture, a share based payment charge crystallised in respect of two directors of the company, including the highest paid director.

4. Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2017	2016
	Number	Number
Management	-	2

The aggregate payroll costs of these persons were as follows:

	2017	2016
	€'000	€'000
Wages and salaries	-	1,885
Social security costs	-	284
Other pension costs	-	69
	-	2,238

Notes to the financial statements (continued)

5. Finance costs

	2017	2016
	€'000	€'000
Interest receivable and similar income		
Foreign exchange gains	2,978	11,292
	2,978	11,292
Interest payable and similar charges		
Interest payable on vendor loan notes	-	(4,959)
Amortisation of transaction costs	-	(7,692)
Interest due on parent company loan	(3,454)	(886)
	(3,454)	(13,537)
Net finance costs	(476)	(2,245)

In the year ended 31 December 2016 amortisation of transaction costs included €5.0 million write off of remaining unamortised transaction costs associated with the repayment of the vendor loan notes on 30 September 2016.

6. Tax on loss

	2017	2016
	€'000	€'000
UK corporation tax:		
Current tax arising in the year	(82)	(274)
Adjustments in respect of prior years	(305)	16
Total current tax credit	(387)	(258)

Notes to the financial statements (*continued*)

6. Tax on loss (*continued*)

The standard rate of tax for the year, based on the UK standard rate of corporation is 19.25% (2016: 20%). The actual tax credit for the year is higher (2016: lower) than the standard rate for the reasons set out in the following reconciliation:

	2017	2016
	€'000	€'000
Loss before taxation	(426)	(7,662)
Tax on loss before taxation at UK standard rate of 19.25% (2016: 20%)	(82)	(1,532)
<i>Factors affecting charge for the year:</i>		
Non-deductible expenses (mainly exceptional items)	-	1,144
Non-taxable income	-	(98)
Losses not recognised in deferred tax	-	212
Adjustments in respect of prior years	(305)	16
Total tax credit for the year	(387)	(258)

The UK group has an accounting policy to charge fellow UK undertakings for group relief surrendered. The current year tax charge represents the surrender of group relief utilised by fellow UK subsidiary undertakings.

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's result for this accounting year are taxed at an effective rate of 19.25% (2016: 20%).

There were no amounts of provided or unprovided deferred taxation as at 31 December 2017 or 31 December 2016.

Notes to the financial statements (*continued*)

7. Investments in subsidiaries

	Shares in subsidiary undertakings €'000
At 31 December 2016 and 2017	5,591

The company has investments in subsidiaries as set out in the table below. The table is arranged by continent, then alphabetically by country and entity. The functional currency of each subsidiary is shown. The company's only direct investment is in R&R PIK plc. All other investments are held indirectly.

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Europe:					
Froneri Austria GmbH	Europaplatz 4 4020 Linz	T	EUR	Austria	100%
Froneri Bulgaria EOOD	261 Lomsko shose Blvd. District Vrabnitsa 1220 Sofia	T	BGN	Bulgaria	100%
Froneri Finland Oy	PL 50, 02151 Espoo Finland	T	EUR	Finland	100%
Froneri Development Center Glaces SAS	7 boulevard Pierre Carle 77 186 NOISIEL	T	EUR	France	100%
Froneri Dange SAS (formerly Paladine SAS)	Kergamet, 29208 Plouédern	T	EUR	France	100%
Pilpa SAS	Kergamet, 29208 Plouédern	D	EUR	France	100%
Froneri Holdings France SAS (formerly R&R Holdings France SAS)	Le Labour – B.P. 13, 33870 Vayres	H	EUR	France	100%
Froneri Vayres SAS (formerly R&R Ice Cream France SAS)	Le Labour – B.P. 13, 33870 Vayres	T	EUR	France	100%
Froneri France SAS (formerly Rolland SAS)	Kergamet BP 809 - 29208 Ploudern	T	EUR	France	100%
Confitesse Backwaren Vertrieb GmbH	Wasserweg 39, 64521 Groß-Gerau	T	EUR	Germany	100%
Durigon Gelato GmbH	Eduard-Pestel Str 15, D- 49080 Osnabruck	D	EUR	Germany	100%
Erlenbacher Backwaren Vertrieb GmbH	Wasserweg 39, 64521 Groß-Gerau	T	EUR	Germany	100%
Froneri Deutschland Holding GmbH	Bucher Str. 137, D-90419 Nürnberg	H	EUR	Germany	100%
Froneri Erlenbacher Immobilien GmbH & Co oHG	Wasserweg 39, 64521 Groß-Gerau	H	EUR	Germany	94%
Froneri Rus Holding GmbH	Bucher Str. 137, D-90419 Nürnberg	H	EUR	Germany	100%
Froneri Schöller GmbH	Bucher Str. 137, D-90419 Nürnberg	T	EUR	Germany	100%
Froneri Schöller Immobilien GmbH & Co oHG	Bucher Str. 137, D-90419 Nürnberg	H	EUR	Germany	94%

Notes to the financial statements (continued)

7. Investments in subsidiaries (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Froneri Schöller Produktions GmbH	Bucher Str. 137, D-90419 Nürnberg	T	EUR	Germany	100%
Janny's Eis Franchise GmbH	Bucher Str. 137, 90419 Nürnberg	T	EUR	Germany	100%
L'Italiano Ice Cream GmbH	Eduard-Pestel Str 15, D-49080 Osnabruck	D	EUR	Germany	100%
Nord-Eis-die Eisprofis GmbH	Eduard-Pestel Str 15, D-49080 Osnabruck	D	EUR	Germany	100%
Froneri Ice Cream Deutschland GmbH	Eduard-Pestel Str 15, D-49080 Osnabruck	T	EUR	Germany	100%
Froneri Deutschland GmbH	Frankfurt, Lyoner Strasse 23, 60528 Frankfurt am Main	H	EUR	Germany	100%
R&R Holdings Deutschland GmbH	Eduard-Pestel Str 15, D-49080 Osnabruck	H	EUR	Germany	100%
Prima-Eis GmbH	Eduard-Pestel Str 15, D-49080 Osnabruck	D	EUR	Germany	100%
Weidenglück UG (haftungsbeschränkt) & co KG	Eduard-Pestel Str 15, D-49080 Osnabruck	H	EUR	Germany	100%
Froneri Hellas Ice-Cream SA	3, Kerkiras str., 17778 Tavros, Attika, Greece	T	EUR	Greece	100%
Fredericks Holdings (Guernsey) Limited	PO Box 25, Regency Court, Gategny Esplanade, St Peters Port Guernsey GY1 3AP	D	GBP	Guernsey	100%
Froneri Holding SpA (formerly known as Eskigel Holding Spa)	Corso G. Garibaldi no. 49, 20121 Milan	H	EUR	Italy	100%
Eskigel Srl	Via Augusto Vanzetti no.11, 05100 Terni	T	EUR	Italy	100%
Froneri Italia Srl	Parma, Via F. Bermini 32/4 (Assago Secondary Office)	T	EUR	Italy	100%
R&R Ice Cream Jersey Limited	44 Esplanade, St. Hellier, Jersey JE4 9WG	F	AUD	Jersey	100%
Froneri Malta Limited	Pantar Road, Lija, Malta	D	EUR	Malta	100%
Froneri Polska Sp zoo (merged into Zielona Budka (Mielec) Sp Zoo in January 2018)	Ul. Domaniewska 32, 02-672 Warszawa	T	PLN	Poland	100%
Froneri Polska Sp zoo (formerly Zielona Budka (Mielec) Sp Zoo)	Ul. Wojska Polskiego 3, 39-300 Mielec	T	PLN	Poland	100%
Froneri Ice Cream Romania SRL	Bucuresti-Ploiesti 1A, Cladirea B, Parter, Sector 1, Bucuresti, 013681	T	RON	Romania	100%
Froneri Rus LLC	52/1 Kosmodamianskaya Naberezhnaya, 4 th floor, Po11, office 4, Moscow, 115054, Russia	T	RUB	Russia	100%
Froneri Adriatic doo	Stara Pazova, Banovački put bb,	T	RSD	Serbia	100%

Notes to the financial statements (continued)

7. Investments in subsidiaries (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Froneri Iberia SL (in the period Helados y Postres SA merged with Froneri Iberia SL)	Zona Industrial Araia, C/ Intxerdui, 5, 01250 ARAIA (Álava)	T	EUR	Spain	100%
Froneri Switzerland SA	Blumenfeldstrasse 15, 9403 Goldach, Switzerland	T	CHF	Switzerland	100%
Creamice Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Fredericks Dairies Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Fredericks Holdings Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Froneri International plc	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	EUR	United Kingdom	18%
Kelly's of Cornwall Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Kelly's Cornish Dairy Ices Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
New R&R Ice Cream Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	EUR	United Kingdom	100%
Oldfield's Ice Cream Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Froneri South Africa Holdings Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	ZAR	United Kingdom	100%
R&R Ice Cream UK Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	T	GBP	United Kingdom	100%
R&R PIK plc	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	EUR	United Kingdom	100%
Richmond Foods Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	GBP	United Kingdom	100%
Richmond Foods (EBT1) Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Richmond Ice Cream Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%

Notes to the financial statements (continued)

7. Investments in subsidiaries (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Richmond Operations Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Richmond Shelf Company Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Ruby Acquisitions Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	EUR	United Kingdom	100%
Treats Frozen Confectionery Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Windsor Creameries Manufacturing Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Yoomoo International Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%
Africa:					
Froneri Ice Cream Egypt SAE	Summit 250 - North 90 5th Settlement - New Cairo	T	EGP	Egypt	100%
Froneri South Africa (Pty) Limited (formerly known as R&R Ice Cream South Africa (Pty) Limited)	14 Spanner Road, Clayville, Olifantsfontein 1666	T	ZAR	South Africa	100%
Rest of the world:					
Australasian Food Group Pty Ltd	254-294 Wellington Road, Mulgrave, Victoria 3170	T	AUD	Australia	100%
Mulgrave LeaseCo Pty Ltd	254-294 Wellington Road, Mulgrave, Victoria 3170	D	AUD	Australia	100%
New Holdco Pty Ltd	254-294 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Food MezzCo Pty Limited	254-294 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Peters Food Group Pty Limited	254-294 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Riviera (Aus) Pty Ltd	254-294 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Riviera Holdings (Aus) Pty Ltd	254-294 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Froneri Philippines Inc	National Highway, Barangay Tibag, Pulilan, Bulacan, Philippines	T	PHP	Philippines	99.998%

Notes to the financial statements (*continued*)

7. Investments in subsidiaries (*continued*)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Froneri Argentina SA	Av. Leandro N. Alem 356, Piso 13º - Buenos Aires, Argentina	T	ARS	Argentina	100%
Froneri Brasil Distribuidora de Sorvetes e Congelados Ltda (in the period Froneri Brasil Industrial de Sorvetes e Congelados Ltda merged with Froneri Brasil Distribuidora de Sorvetes e Congelados Ltda)	364, Modulo 105 – Sala 2, Belford Roxo, CEP 26130-130, Belford Roxo-RJ, Brazil	T	BRL	Brazil	100%

Group composition

H – denotes an intermediate holding company

D – denotes a dormant company

T – denotes a company with the principal activity of the production, distribution and/or sale of ice cream and/or frozen confectionary and desserts.

F – denotes a financing company

Activities in the Philippines also include the manufacture and sale of chilled dairy products.

Weidengluck UG (haftungsbeschränkt) & co KG is a limited partnership.

Froneri International plc was previously known as R&R Ice Cream plc.

Ownership interest in the above entities are all ordinary shares. Froneri Limited owns indirectly 100% of the voting rights in all entities presented, except that certain local managers hold 0.002% of the ordinary share capital in Froneri Philippines Inc.

Froneri Limited owns indirectly 6% of the ordinary shares of Froneri Erlenbacher Immobilien GmbH & Co oHG and Froneri Schöller Immobilien GmbH & Co oHG. It also owns indirectly 18% of the ordinary shares of Froneri International plc.

The above ownership interests are all ordinary shares, except in respect of Fredericks Holdings Limited, in which R&R Ice Cream UK Limited also owns 100% of redeemable preference shares in issue.

Notes to the financial statements (continued)

8. Trade and other receivables

	2017	2016
	€'000	€'000
Amounts owed by group undertakings	302,406	303,841

The amounts owed by group undertakings includes:

- €285,643,000 (2016: €285,643,000) of intercompany loan to its subsidiary undertaking R&R PIK PLC which is repayable on demand and is interest free.
- €16,763,000 (2016: €18,198,000) of other intercompany balances relating to group relief and other recharges which are repayable on demand and is interest free.

9. Creditors: amounts falling due within one year

	2017	2016
	€'000	€'000
Amounts owed to parent undertakings	351,140	353,637
Amounts owed to group undertakings	472	84
Amounts owed to related parties	-	-
Accruals and deferred income	-	36
	351,612	353,757

Amounts owed to parent undertakings includes:

- €277,242,000 (2016: €277,256,000) loans due to Riviera Topco Limited that are repayable on notice of four business days and are interest free.
- €73,898,000 (2016: €76,381,000) loan, including interest accrued of €1,428,000 (2016: €894,000), due to Froneri Limited. This is a GBP loan and accrues interest at 4.7%. The loan is due to be repaid in 2021 but is repayable on written demand from Froneri Limited. Interest is payable quarterly.

Notes to the financial statements (continued)

10. Called up share capital

	2017	2016
	€'000	€'000
Allotted and fully paid		
One (2016: one) ordinary share of £1	-	-

11. Commitments and contingent liabilities

The company has no commitments or contingent liabilities at 31 December 2017 (2016: €nil).

12. Ultimate parent company

The immediate parent undertaking is Riviera Topco Limited, which is incorporated in England and Wales.

The ultimate parent undertaking is Froneri Limited, a company incorporated in England and Wales. Froneri Limited is jointly controlled by PAI Partners SAS and Nestlé SA.

The smallest and largest group of undertakings for which consolidated financial statements have been prepared are those prepared by Froneri Limited. These financial statements are available from Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL.