

**Nomad Foods Europe Finance Limited**

**Annual Report and Financial Statements  
For Year Ended 31 December 2018**

Registered number 7101059

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**Nomad Foods Europe Finance Limited  
Annual Report and Financial Statements  
Year Ended 31 December 2018**

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**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2018**

**Strategic Report**

The Directors present their Strategic Report on Nomad Foods Europe Finance Limited (the 'Company') for the year ended 31 December 2018.

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 *Birds Eye*, *Iglo*, *Findus*, *Goodfella's* and *Aunt Bessie's*.

**Business review**

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.

The Statement of Comprehensive Income and the Statement of Financial Position on pages 8 and 9 of the financial statements show the Company's financial result for the year and position at the year end.

**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 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 included within the Annual Report on the Group's website at <https://www.nomadfoods.com/investors/>

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 7 to the financial statements.

**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 2018.

On behalf of the Board:



Sarah Pollard  
On behalf of Nomad Foods Europe Limited

5 September 2019

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
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## **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 2018.

### **Results and dividends**

The loss for the year, after taxation, amounted to €13,234 (2017: loss of €3,920). The Directors do not recommend the payment of a dividend for 2018 (2017: €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      appointed 1 August 2018
- Samy Zekhout                      appointed 1 August 2018
- Jason Ashton                        resigned 1 August 2018

### **Company secretary**

- Johanna Maria Van Kruijsbergen    resigned 31 January 2019

### **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.

The Directors have assessed the ability of the Company to continue as a going concern. Based on the review of the Nomad Foods Limited group of companies ('Group') 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 refinanced facilities entered into on 28 April 2017 and executed on 3 May 2017.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. The Directors have received written confirmation that Nomad Foods Limited's current 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. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **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 7 to the financial statements.

### **Independent auditors**

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

**Nomad Foods Europe Finance Limited  
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**Directors' Report (continued)**

On behalf of the Board:



Sarah Polard  
On behalf of Nomad Foods Europe Limited

5<sup>th</sup> September 2019

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

Registered number: 7101059

## ***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 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 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.

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

## **Report on the audit of the financial statements**

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### **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 2018 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income, 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.

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### **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.

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### **Conclusions relating to going concern**

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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### **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.

**Nomad Foods Europe Finance Limited**  
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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 2018 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.

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**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 5, 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](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.

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**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.



Philip Stokes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
05 September 2019



**Nomad Foods Europe Finance Limited**  
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**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2018**

	Note	2018 €	2017 €
Revenue	2	65,614	40,440
Operating costs		<u>(62,490)</u>	<u>(37,445)</u>
<b>Gross profit</b>		<b>3,124</b>	<b>2,995</b>
Finance income	4	6,691	2,601
Finance costs	5	(23,049)	(9,516)
<b>Loss before taxation</b>	<b>3</b>	<b><u>(13,234)</u></b>	<b><u>(3,920)</u></b>
Tax on loss	6	-	-
<b>Loss for the year</b>		<b><u>(13,234)</u></b>	<b><u>(3,920)</u></b>
<b>Total comprehensive loss for the year</b>		<b><u>(13,234)</u></b>	<b><u>(3,920)</u></b>

The notes on pages 11 to 18 are an integral part of these financial statements.

**Nomad Foods Europe Finance Limited**  
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**Statement of Financial Position**  
**As at 31 December 2018**

	2018	2017
Note	€	€
<b>Non-Current Asset</b>		
Derivative Financial Assets	8	71,045,843
<b>Total Non-Current Assets</b>	<u>71,045,843</u>	<u>80,020,633</u>
<b>Current assets</b>		
Cash and cash equivalents	59	-
Amounts owed by Parent undertakings	6,121	10,249
Derivative financial assets	8	14,887,847
<b>Total current Assets</b>	<u>14,894,027</u>	<u>10,006,351</u>
<b>Current liabilities</b>		
Amounts owed to Group undertakings	10,162	4,831
Derivative financial liabilities	8	14,887,847
<b>Total current liabilities</b>	<u>14,898,009</u>	<u>9,997,099</u>
<b>Net current (Liabilities)/Assets</b>	<u>(3,982)</u>	<u>9,252</u>
<b>Total assets less current liabilities</b>	<u>71,041,861</u>	<u>80,029,885</u>
<b>Non-Current Liabilities</b>		
Derivative financial liabilities	8	71,045,843
<b>Total Non-Current Liabilities</b>	<u>71,045,843</u>	<u>80,020,633</u>
<b>Net (liabilities)/assets</b>	<u>(3,982)</u>	<u>9,252</u>
<b>Equity attributable to owners</b>		
Share capital	9	2
(Accumulated losses)/Retained earnings	(3,984)	9,250
<b>Total equity</b>	<u>(3,982)</u>	<u>9,252</u>

The notes on pages 11 to 18 are an integral part of these financial statements.

These financial statements on pages 8 to 18 were approved by the Board of Directors on 5<sup>th</sup> September 2019 and were signed on its behalf by:



Sarah Pollard  
On behalf of Nomad Foods Europe Limited

**Nomad Foods Europe Finance Limited  
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**Statement of Changes in Equity  
For the Year Ended 31 December 2018**

	Share capital	Accumulated losses	Total Equity
	€	€	€
Balance at 1 January 2017	2	13,170	13,172
Loss and total comprehensive loss for the year	-	(3,920)	(3,920)
<b>Balance at 31 December 2017</b>	<u>2</u>	<u>9,250</u>	<u>9,252</u>
Loss and total comprehensive loss for the year	-	(13,234)	(13,234)
<b>Balance at 31 December 2018</b>	<u>2</u>	<u>(3,984)</u>	<u>(3,982)</u>

The notes on pages 11 to 18 are an integral part of these financial statements.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
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## **Notes to the Financial Statements**

### **1 Accounting policies**

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, Bedfont Lakes Business Park, Feltham, Middlesex, TW14 8HA and its registered number is 7101059.

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 EU (“Adopted IFRSs”), 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 accordance with International Financial Reporting Standards 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.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures;

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital.
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

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

- IFRS 9 ‘*Financial Instruments*’

The Company has adopted IFRS 9 ‘Financial Instruments’ from 1 January 2018, which has resulted in changes to accounting policies and disclosures. The Company has elected to apply the modified retrospective approach so that the cumulative impact of retrospectively applying the standard has been recognised as an adjustment to the accumulated losses on transition. Therefore, the full impact on adoption of applying IFRS 9 has been recognised as an adjustment to opening liabilities and accumulated losses. There has been no material impact as a result of transitioning to IFRS 9 for the year ended 31 December 2018.

The changes to the classification of financial instruments has not had a significant impact on the current or previous accounting periods. No change in carrying amount of financial assets has arisen as a result of this change. There has been no change to the classification of financial liabilities.

- IFRS 15 ‘*Revenue from contracts with customers*’

The Company has adopted IFRS 15 ‘Revenue from contracts with customers’ from January 1, 2018, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The Company has quantified that there is no material impact on revenue recognition in the current or previous accounting periods by applying this standard.

**Nomad Foods Europe Finance Limited**  
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**Notes to the financial statements (continued)**

**1 Accounting policies (continued)**

The changes to the measurement of financial instruments has not had a significant impact on the current or previous accounting periods. The new impairment model has not had a significant impact on the current or previous accounting periods.

The Company does not apply hedge accounting and so is unaffected by the changes in that area.

**(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.

**Nomad Foods Europe Finance Limited**  
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**Notes to the Financial Statements (continued)**

**1 Accounting policies (continued)**

**(c) Financial Risk Management**

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 amortized cost.

**(ii) Amounts owed by/to Parent 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. The Company applies the IFRS 13, paragraph 56 exception allowing the credit risk associated with this portfolio of derivatives to be assessed on a net basis by each counterparty.

**(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.

**(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.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities recognised for financial reporting purposes and the amounts used for taxation purposes on an undiscounted basis. The following temporary differences are not provided for; the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

**Nomad Foods Europe Finance Limited**  
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**Year Ended 31 December 2018**

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

**1 Accounting policies (continued)**

**(g) Critical accounting estimates**

Fair value of derivative financial instruments.

Note 8 includes details of the fair value of the derivative instruments that the Company holds at 31 December 2018 and 2017. Management has estimated the fair value of these instruments by using valuations based on discounted cash flow calculations.

**2 Revenue**

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

**3 Loss before taxation**

There were no employees during the year (2017: nil).

Audit fees of €3,000 for the year ended 31 December 2018 and €3,000 for the year ended 31 December 2017 were borne by another Group undertaking.

None of the Directors received remuneration in respect of services provided to the Company.

**4 Finance income**

	2018	2017
	€	€
Interest receivable	1,737	2,601
Net foreign exchange on translation of financial assets and liabilities	4,954	-
<b>Finance income</b>	<b>6,691</b>	<b>2,601</b>

**5 Finance costs**

	2018	2017
	€	€
Fair value loss on derivatives	-	6,750
Interest expense	22,959	2,766
Bank charges	90	-
<b>Finance costs</b>	<b>23,049</b>	<b>9,516</b>

**6 Tax on loss**

**Recognised in the Statement of Comprehensive Income**

	2018	2017
	€	€
Current tax expense	-	-
<b>Total tax in Statement of Comprehensive Income</b>	<b>-</b>	<b>-</b>

**Reconciliation of effective tax rate**

	2018	2017
	€	€
Loss before taxation	(13,234)	(3,920)
Tax credit using the UK corporation tax rate of 19% (2017: 19.25%)	(2,514)	(755)
Group relief surrendered for nil consideration	2,514	755
<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 2018 (2017: 19%). The standard rate of corporation tax in the UK reduced from 20% to 19% with effect from April 1, 2017 and will reduce by a further 2% to 17% from April 1, 2020.

**Nomad Foods Europe Finance Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2018**

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

**7 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.

**(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.

All forward contracts mature in 2019.

All cross-currency interest rate swap contracts mature in 2022.



**Nomad Foods Europe Finance Limited**  
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**Notes to the Financial Statements (continued)**

**8 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>2018</b>	<b>Financial assets at amortised cost</b>	<b>Derivatives at fair value through Profit and Loss</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>Assets</b>			
Derivative financial assets	-	85,933,690	85,933,690
Amount owed by Parent undertakings	6,121	-	6,121
Cash and cash equivalents	59	-	59
<b>Liabilities</b>			
Derivative financial liabilities	-	(85,933,690)	(85,933,690)
Amount owed to Parent undertakings	(10,162)	-	(10,162)
<b>Total</b>	<b>(3,982)</b>	<b>-</b>	<b>(3,982)</b>

<b>2017</b>	<b>Loans and receivables</b>	<b>Financial assets/liabilities at fair value through Profit and Loss</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>Assets</b>			
Derivative financial assets	-	90,016,735	90,016,735
Amount owed by Parent undertakings	10,249	-	10,249
<b>Liabilities</b>			
Derivative financial liabilities	-	(90,012,901)	(90,012,901)
Amount owed to Parent undertakings	(4,831)	-	(4,831)
<b>Total</b>	<b>5,418</b>	<b>3,834</b>	<b>9,252</b>

(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

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

**8 Financial instruments (continued)**

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 Midco Limited (Midco) and Nomad Foods Europe Limited (NFEL), all fellow group entities, 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 Midco and NFEL. Payments to and receipts from swaps are made monthly by the Company.

*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.

*Cash and cash equivalents/overdrafts*

The carrying value of cash is deemed to equal fair value.

(c) Derivatives

	2018	2017
	€	€
Cross Currency Interest Rate Swap Contracts - External	35,675,368	18,593,241
Cross Currency Interest Rate Swap Contracts - Internal	35,370,475	61,427,392
Foreign Currency Forward Contracts – External	13,364,053	-
Foreign Currency Forward Contracts – Internal	1,523,794	9,996,102
<b>Total Derivative financial assets:</b>	<b>85,933,690</b>	<b>90,016,735</b>
Cross Currency Interest Rate Swap Contracts - External	(35,370,475)	(61,427,392)
Cross Currency Interest Rate Swap Contracts - Internal	(35,675,368)	(18,593,241)
Foreign Currency Forward Contracts – External	(1,523,794)	-
Foreign Currency Forward Contracts – Internal	(13,364,053)	(9,992,268)
<b>Total derivative financial liabilities</b>	<b>(85,933,690)</b>	<b>(90,012,901)</b>

**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>2018</b>			
Derivatives - assets	49,039,421	(29,779,998)	19,259,423
Derivatives – liabilities	(36,894,269)	29,779,998	(7,114,271)
<b>2017</b>			
Derivatives - assets	20,715,331	(20,715,331)	-
Derivatives – liabilities	(69,272,791)	20,715,331	(48,557,460)

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**9 Called up Share capital**

	2018 €	2017 €
2 Ordinary shares Allocated and Called up of £1 each (2017: 2 shares) – unpaid	2	2
<b>Shares classified in shareholders' funds</b>	<u><u>2</u></u>	<u><u>2</u></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.

**10 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.

**11 Ultimate parent company**

Nomad Foods Europe Limited is the immediate parent of the Company.

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 Nemours Chambers, Road Town, Tortola, British Virgin Islands.

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, Bedfont Lakes Business Park, Feltham, Middlesex, TW14 8HA, UK.