

Company Registration No.05777981

FRONERI INTERNATIONAL LIMITED

Report and financial statements

31 December 2022

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Strategic report

The directors present their strategic report for the year ended 31 December 2022.

Principal activities

The Company's principal activity during the year was as a holding company for most of the operating subsidiaries of the Froneri Group ("Froneri"). On 31 January 2020, Froneri Lux Topco S.à r.l. became the ultimate parent company of Froneri, a joint venture, which is owned and controlled in equal shares between the private equity firm PAI Partners SAS ("PAI"), and Nestlé SA.

As a holding company, Froneri International Limited provides financing and other activities to the rest of Froneri.

Business review and results

At 31 December 2022 the Company had in place a €2,180.0 million (2021: €2,180.0 million) EURO denominated intercompany loan, which accrues interest at 2.756% and a €760.7 million (2021: €723.5 million) USD denominated intercompany loan (USD 814.1 million (2021: USD 822.5 million)), which accrues interest at 6.634%, owed to the fellow group undertaking Froneri Lux Finco S.à r.l.. These loans due to Froneri Lux Finco S.à r.l. have a maturity of 7 years from the date of refinancing. However, in relation to the USD denominated intercompany loan, €7.8 million (USD 8.4 million) is falling due for repayment in less than one year (2021: €7.4 million, USD 8.4 million).

Throughout the year, Froneri has operated in the USA, Europe, Egypt, Israel, South Africa, Brazil, Argentina, Australia, New Zealand, Puerto Rico and the Philippines. Froneri is now the second largest manufacturer of ice cream in the world and is the largest manufacturer of private label ice cream globally.

The Company is responsible for managing the Group's intellectual property and is the licence holder for the Group's licencing agreements for the use of the Nestlé and Mondelēz brands. The Company has sub-licences with the Group's operating companies for use of the licenced brands in their respective markets. In the year to 31 December 2022 the Company recognised income of €363.8 million (2021: €298.7 million) in respect of managing the Group's intellectual property, with the increase in the year driven by the growth in the Group's revenue relating to the Nestlé and Mondelēz brands along with the overall performance of the Group.

In the year to 31 December 2022 the Company recognised income from shares in group undertakings of €268.0 million (2021: €789.3 million).

The results of the Company for the financial year amounted to a profit of €230.9 million (2021: profit of €633.9 million) with a net assets position of €937.5 million (2021: €683.2 million). The profit included €2.2 million (2021: €11.7 million) of exceptional operating costs, mainly relating to costs associated with a regulatory recall (2021: €0.3 million). The ongoing operating costs of the Company relate to the management of the Group.

Key performance indicators

Given the straight-forward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for understanding of the performance or development of the business.

Principal risks and uncertainties

The principal risks of the Company are in respect of the carrying value of its investments and recoverability of its intercompany balances. The directors consider the potential impact of business risks affecting entities across the Group regularly at Board meetings.

Strategic report (*continued*)

Principal risks and uncertainties (*continued*)

The principal risks of the company also include currency exposure and interest rate risk.

The Group operates in 17 currencies, with the key currencies for the Company, other than the Euro, being the US Dollar, Swiss Franc, British Pound Sterling, and Australian Dollar. The Company typically uses contracts to mitigate foreign currency exposure on trading.

The Company uses interest swaps to fix interest amounts where appropriate (see notes 10, 11 and 12).

Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006.

The Board's engagement with the Company's stakeholders helps frame the Company's strategic direction, informs the Board's decision making process and overall supports the Board's duty to promote the success of the Company as set out in Section 172 of the Companies Act 2006. The directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The following paragraphs summarise how directors fulfil their duties:

Employees

The Group operates a framework for employee information and in line with the relevant regulations in each territory. Through 2022, the Group has issued information and updates on its website to ensure compliance. The Group promotes open communication from employees at all levels and provides channels through which employees can express views, anonymously if desired, and communicate regularly with Senior Management of the business. There are also a number of employee consultative committees and works councils to provide a forum for employees to air the views of their colleagues and discuss relevant issues.

The Group gives full consideration to applications for employment from persons with disabilities where the candidate meets the requirements of the job. Opportunities are available to employees with disabilities for training, career development and promotion. The Group seeks to continue the employment of, and arrange appropriate training for, any of the Group's employees who have become disabled during the year in which the Group employed them.

The Group offers a bonus scheme to eligible employees which is based around four key performance targets for the business: EBITDAE; sales; A-brand sales and free cash flow. The scheme incentivises year-on-year delivery of Froneri's annual financial targets. This provides focus on key financial metrics and aligns the individuals' contribution to their respective country performance. Certain individuals are incentivised based on Group performance as well as individual country performance.

Strategic report (continued)

Health & Safety matters

Keeping our people safe is our top priority. To promote a culture of safety, we uphold high standards underpinned by robust policies and procedures. Lessons learned and best practices are shared across factories and across countries to ensure we are continuously improving our safety performance. Froneri frequently exceeds local requirements in setting its safety strategy and expectations. We constantly engage with all our employees and contractors on health and safety, by providing hands-on and classroom training, as well as discussing all recent safety issues and trends weekly at all levels. In 2022, we rolled out Ammonia Safety Training at all factories which will continue throughout 2023. We share best practices across countries and markets with varying safety requirements to help raise our performance overall. Increasingly, employee wellbeing, and particularly mental wellbeing and resilience, will become part of each country's health and safety plans.

Business ethics and human rights

Froneri is committed to conducting business in an ethically and socially-responsible manner and treating employees, customers, suppliers and shareholders in a fair, open and honest manner. The Group is regularly audited, by both independent auditors and customers.

We have committed to a programme of auditing our top suppliers at a Group and country level to cover areas like consumer safety, compliance to our specification and verification of ethical and environmental commitments. This further helps Froneri ensure that its suppliers operate in an ethically and socially responsible manner. To bring additional rigour to this audit programme the Group selected Meriux as our supplier audit partner.

The Group is similarly committed to conducting business in a way that is consistent with universal values on human rights and complying with the Human Rights Act 1998. The Group ensures that appropriate consideration is given to human rights issues in the formulation of its policies and processes. This is most pertinent in the Group's approach to supply chain management (and the consideration of an ethical trading stance in that respect) and overseas employment policies and practices. Where appropriate, this can take the form of charitable donations, supporting employees in fundraising or volunteering for local good causes, and community partnering. In addition, employee welfare measures are monitored in regular KPIs, such as absenteeism, the extent of vacant positions and working hours.

There have been no instances of non-compliance with these policies noted in the year.

Diversity; Gender-based reporting and Disability

Creating a diverse, inclusive work environment is fundamental to attracting and retaining talented employees. Empowering our teams to contribute richer ideas and building our capacity for creativity and innovation have been instrumental to our success. We hire local Country Managers in each market, allowing us to stay close to consumers' evolving needs and providing opportunities for local people to thrive within a dynamic global business.

In particular, we're increasingly exploring how we can best encourage gender diversity and empower women across our business. Five of our country managers are women, including in several major markets, while the head of our largest European factory is also a woman, as well as two factories in the United States, creating strong role models for promising female talent.

Strategic report (continued)

Environmental, Social and Governance ("ESG")

ESG is embedded in how we do business at Froneri.

Our global ESG strategy provides the framework through which we address the issues that matter most to our business and stakeholders, and is integral to fulfilling our vision to build the world's best ice cream company. It encompasses five key areas of action, supported by eleven ambitious goals. We focus on improving our environmental impact, taking care of our people and communities, optimising our products, ensuring strong governance and raising standards in our supply chain. We are increasingly integrating our ESG strategy into the way we do business, empowering our employees to act and collaborating with our partners and suppliers to optimise our positive impact. Importantly, our strategy will also help us contribute to the global, UN-led push for a fairer, more sustainable world.

Accountability for ESG issues goes right to the top of our organisation, with our Board taking overall responsibility. The Board has created a dedicated ESG Committee to define and oversee our ESG strategy, which is executed by our Management Board members and Country Managers, who plan, monitor and report on initiatives.

In 2021, we created a working group dedicated specifically to our carbon emissions project, supported by representatives from across our Company. This group will play a key role in monitoring our performance, reporting our progress transparently and identifying opportunities for improvement.

Improving our environmental impact

We aim to grow our business while improving our environmental footprint, conserving natural resources and reducing waste. We develop practical solutions to improve our efficiency and reduce our impact on the environment, going beyond compliance where possible, and always striving to address consumers' concerns.

Taking care of our people and communities

We are committed to enabling our employees to thrive in a diverse, inclusive workplace, keeping them healthy and safe, while providing numerous opportunities for learning and development. The Froneri "ways of working" provide employees with hands-on experience, expanded leadership responsibilities and stretch assignments to grow careers faster than traditional career pathing. We work with our suppliers to protect workers' rights and help ensure safe working conditions in our supply chain and support our local communities.

Optimising our products

We listen to our consumers and aim to provide the full range of exciting ice cream options they desire, drawing on in-depth ice cream knowledge and a deep sense of responsibility. Our diverse, expanding product ranges respond to evolving dietary preferences, sustainability concerns and lifestyle aspirations, while continuing to deliver high quality and taste appeal. We have a particular focus on optimising children's products and providing responsible treat options, while also encouraging parents to remember that ice cream remains an indulgent treat. Mindful of nutrition, we provide transparent, factual nutrition and health information, comply with responsible marketing standards, and encourage consumers to make informed decisions about their diet.

Ensuring strong governance

Good, strong governance is fundamental to achieving our ESG objectives and we have taken care to embed accountability for ESG issues at every level within the business. We take a considered approach, striving to achieve the right balance between commercial obligations and legal responsibilities, and evolving our frameworks and policies to ensure compliance with key legal requirements.

Raising standards in our supply chain

We are continuously building our understanding of the social and environmental impacts of our supply chain to better manage risk, improve standards and increase resilience. This will help empower our brands to make ESG advances and take action informed by accurate, in-depth risk analysis. Building on important advances in raw material sourcing and plastic reduction and collaborating with our suppliers, we aim to keep expanding our supply chain sustainability efforts.

Strategic report (continued)

Anti-bribery and Corruption policy

It is Froneri's policy to conduct all its business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

Each Group business must implement their own local anti-bribery policy which incorporates the Group's minimum policy requirements, whilst being sensitive to local customs. All employees are trained on the requirements periodically. Country Managers, Heads of Finance and Managers are responsible for implementing their own local policies including appropriate practices, processes, controls and training.

Froneri operates in certain territories which present a higher risk of bribery and corruption than others due to the particular political and social landscape. Before doing business in any new territory, we assess the risks associated with that territory from a bribery and corruption perspective to identify and implement any controls required to manage the risks of operating in that territory proportionate to the bribery and corruption risk.

Each Froneri business must have adequate anti-bribery and corruption procedures and due diligence in place relating to employees, agents and distributors, suppliers, customers and any associated persons. Additional due diligence is performed on those employees who have access to Company funds or hold a position of seniority. The Group also has clear guidelines in place regarding gifts and hospitality and charitable and political donations.


All employees are encouraged to raise concerns about suspected bribery or corruption, either through their usual chain of command, through Group legal or through the third party whistleblowing hotline, as appropriate.

There have been no instances of non-compliance with the policy noted in the year.

The Company has complied with the requirements of s172 of the Companies Act 2006 as evidenced throughout this Strategic Report.

On behalf of the board

I Najafi
Director



27 June 2023

Directors' report for the year ended 31 December 2022

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

Future developments

The Company will continue to be a holding company and to provide financing and other activities to the rest of the Group.

Dividends

The directors do not recommend the payment of a dividend (2021: €nil).

Financial Risk Management Policies and Objectives

The Company finances its activities with a combination of intercompany loans, cash and revolving credit facilities. Other financial assets and liabilities arise directly from the Company's operating activities.

Going concern

At 31 December 2022, the Company had net assets of €937.5 million (2021: €683.2 million). Included in current liabilities are €4.1 million (2021: €1.8 million) of amounts due to parent undertakings which are repayable on demand.

The directors have considered this position, together with the Company's and the Group's budgets, positive net current assets position. These forecasts were subject to a range of sensitivities including a severe but plausible scenario together with the likely effectiveness of mitigating actions and further detail included within the notes to the Financial Statements section 2.1.1.

Directors

The directors of the Company who held office during the year and up to the date of signing the financial statements were as follows:

I Najafi
P Griffin
I Blanken

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.

Employees

The Group operates a framework for employee information and in line with the relevant regulations in each territory. Through 2022, the Group has issued information and updates on its website to ensure compliance. The Group promotes open communication from employees at all levels and provides channels through which employees can express views, anonymously if desired, and communicate regularly with Senior Management of the business. There are also a number of employee consultative committees and works councils to provide a forum for employees to air the views of their colleagues and discuss relevant issues.

Directors' report for the year ended 31 December 2022 (continued)

Employees (continued)

The Group gives full consideration to applications for employment from persons with disabilities where the candidate meets the requirements of the job. Opportunities are available to employees with disabilities for training, career development and promotion. The Group seeks to continue the employment of, and arrange appropriate training for, any of the Group's employees who have become disabled during the year in which the Group employed them.

The Group offers a bonus scheme to eligible employees which is based around four key performance targets for the business: EBITDAE; sales; A-brand sales and free cash flow. The scheme incentivises year-on-year delivery of Froneri's annual financial targets. This provides focus on key financial metrics and aligns the individuals' contribution to their respective country performance. Certain individuals are incentivised based on Group performance as well as individual country performance.

Other information

The Strategic Report sets out the likely future developments and direction of the business. There were no significant events after the balance sheet date that require additional notes other than those disclosed in the Strategic Report. The directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2022. The Strategic Report also sets out how we have engaged with employees and taken account of their interests, and how directors have engaged with suppliers, customers and other stakeholders, as set out in s172(1)(a-f) of the Companies Act 2006.

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' report for the year ended 31 December 2022 (*continued*)

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as that 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

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

On behalf of the board



I Najafi
Director

Richmond House
Leeming Bar
Northallerton
North Yorkshire
DL7 9UL
United Kingdom

27 June 2023

Independent auditors' report to the members of Froneri International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Froneri International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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, including 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 2022; the Income statement, the Statement of comprehensive income, 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.

Our audit approach

Overview

Audit scope

- Our scope included all material financial statement line items.

Key audit matters

- Impairment of investments in subsidiaries

Materiality

- Overall materiality: 55,543,000 EUR (2021: 50,868,000 EUR) based on 1% of Total Assets.
- Performance materiality: 41,657,000 EUR (2021: 38,151,000 EUR).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Independent auditors' report to the members of Froneri International Limited (*continued*)

Our audit approach (*continued*)

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of investments in subsidiaries</i></p> <p>Refer to note 6 in the financial statements. The company has investments in subsidiaries amounting to EUR 3,872 million. The company evaluates its investments in subsidiaries for impairment annually and records an impairment loss when the carrying amount exceeds the recoverable amount. The assessment of the existence of any indicators of impairment of the carrying amount of investments in subsidiaries is judgmental. In the event that indicators of impairment are identified, the assessment of the recoverable amounts is also judgmental and requires estimation and the use of subjective assumptions. The company measures the recoverable amount of its investments in subsidiaries using projected discounted cash flows and this requires management to make judgments relating to certain key inputs, including discount rates and future growth rates. The primary risks are identifying impairment indicators, inaccurate models being used for the impairment assessment and that the assumptions to support the value of the investments are inappropriate. The principal consideration for our determination that the impairment assessment of investments in subsidiaries is a key audit matter is the subjectivity in the assessment of the recoverable amounts which requires estimation and the use of subjective assumptions.</p>	<p>We obtained management's value-in-use model and tested the reasonableness of the key assumptions, including the following:</p> <p>(a) We tested the mathematical accuracy of the impairment model and agreed the carrying value of the investments in subsidiaries to supporting documentation;</p> <p>(b) With the support of our valuations experts, we assessed the long-term growth rates and discount rates applied by management by reference to third party information and confirmed whether they fell within a reasonable range of external market data. Where they did not, we applied our independent view of a more appropriate rate to management's forecast;</p> <p>(c) We traced the forecast financial information within the model to the latest Board approved budget and considered the accuracy of previous forecasts;</p> <p>(d) We challenged management to provide support to corroborate growth assumptions and performed lookback testing;</p> <p>(e) We performed sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions and to quantify the downside changes needed before an impairment would be required; and</p> <p>(f) We also assessed the disclosures made in respect to the sensitivity of the key assumptions.</p> <p>We found, based on our audit work, the carrying value of investments and disclosures to be appropriate.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Our work was focused on the company's material financial statement line items, in particular investments, intangible assets, amounts receivable from group undertakings and amounts payable to group undertakings.

Independent auditors' report to the members of Froneri International Limited *(continued)*

Our audit approach *(continued)*

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	55,543,000 EUR (2021: 50,868,000 EUR).
<i>How we determined it</i>	1% of Total Assets
<i>Rationale for benchmark applied</i>	We believe that total assets is the primary measure used by shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark due to it being a holding entity.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to 41,657,000 EUR (2021: 38,151,000 EUR) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above EUR 2,777,000 (2021: EUR 2,543,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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.

Independent auditors' report to the members of Froneri International Limited *(continued)*

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 2022 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.

Independent auditors' report to the members of Froneri International Limited *(continued)*

Responsibilities for the financial statements and the audit *(continued)*

Auditors' responsibilities for the audit of the financial statements *(continued)*

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.

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 Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 and management bias included within accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Obtaining supporting evidence for the significant assumptions and judgements made by management, particularly in respect of impairment of investments in subsidiaries and amounts recoverable from group undertakings; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 Froneri International Limited (*continued*)

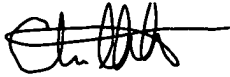
Other required reporting

Companies Act 2006 exception reporting

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

- we have not 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.



Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 June 2023

Income statement
for the year ended 31 December 2022

	Note	2022 €'000	2021 €'000
Administrative expenses (including exceptional costs of €2.2m (2021: €11.7m))	3	(30,417)	(39,615)
Other operating income	3	363,805	298,740
Other operating expenses	3	(221,242)	(192,864)
Operating profit	3	112,146	66,261
Income from shares in group undertakings		268,024	789,299
Profit before interest and taxation		380,170	855,560
Interest receivable and similar income	4	138,407	98,090
Interest payable and similar expense	4	(292,721)	(291,139)
Profit before taxation		225,856	662,511
Tax on profit	5	5,054	(28,563)
Profit for the financial year		230,910	633,948

The result for the current and prior year derives from continuing activities.

Statement of comprehensive income

for the year ended 31 December 2022

	Note	2022 €'000	2021 €'000
Profit for the financial year		230,910	633,948
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Hedging reserve credit	14	21,422	2,415
Income tax relating to these items	13	(138)	(690)
Total other comprehensive income for the year		21,284	1,725
Total comprehensive income for the year		252,194	635,673

Statement of financial position
as at 31 December 2022

	Note	2022 €'000	2021 €'000
Fixed assets			
Investments	6	3,871,623	3,870,214
Intangible assets	7	54,781	52,467
Property, plant and equipment	8	5,820	2,935
Right-of-use assets	9	36	66
		3,932,260	3,925,682
Current assets			
Trade and other receivables (including €831.0m (2021: €684.6m) due after more than one year)	10	1,609,372	1,101,657
Cash at bank and in hand		12,710	59,441
		1,622,082	1,161,098
Creditors: amounts falling due within one year	11	(435,526)	(358,739)
Net current assets		1,186,556	802,359
Total assets less current liabilities		5,118,816	4,728,041
Creditors: amounts falling due after more than one year	12	(4,177,095)	(4,043,844)
Provisions for liabilities	13	(4,175)	(964)
Net assets		937,546	683,233
Equity			
Called up share capital	14	139,675	139,675
Share premium account	14	242,903	242,903
Other reserves		46,036	22,633
Retained earnings		508,932	278,022
Total shareholders' funds		937,546	683,233

The notes on pages 20 to 49 are an integral part of these financial statements.

The financial statements on pages 16 to 49 were approved by the board of directors on 27 June 2023 and were signed on its behalf by:



I Najafi
Director

Company registered number: 05777981

Statement of changes in equity for the year ended 31 December 2022

	Share capital €'000	Share premium €'000	Hedging reserve €'000	Capital contribution reserve €'000	(Accumulated losses)/ Retained earnings €'000	Total share- holders' funds €'000
At 1 January 2021	139,675	242,903	1,168	17,717	(355,926)	45,537
Contributions by and distributions to owners						
Share-based payment	-	-	-	2,023	-	2,023
Total contributions by owners	-	-	-	2,023	-	2,023
Comprehensive income for the year						
Profit for the year	-	-	-	-	633,948	633,948
Other comprehensive income	-	-	1,725	-	-	1,725
Total comprehensive income for the year	-	-	1,725	-	633,948	635,673
At 31 December 2021	139,675	242,903	2,893	19,740	278,022	683,233
Contributions by and distributions to owners						
Share-based payment	-	-	-	2,119	-	2,119
Total contributions by owners	-	-	-	2,119	-	2,119
Comprehensive income for the year						
Profit for the year	-	-	-	-	230,910	230,910
Other comprehensive income	-	-	21,284	-	-	21,284
Total comprehensive income for the year	-	-	21,284	-	230,910	252,194
At 31 December 2022	139,675	242,903	24,177	21,859	508,932	937,546

Notes to the financial statements

1. General information

The Company's principal activity during the year was as a holding company of the majority of the trading subsidiaries of the Froneri Group and is expected to remain so for the foreseeable future.

Froneri International Limited is a private company limited by shares and is registered, incorporated and domiciled in England, United Kingdom. The address of its registered office is Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL, United Kingdom.

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, except for derivative financial instruments and share based payments which are recorded at fair value. 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 UK-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 16 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 disclosures in respect of related party transactions entered into between fellow group companies (the Company has no other related party transactions);
- IFRS 2 share-based payments; and
- Roll-forward reconciliations in respect of share capital (IAS 1).

As detailed in note 16, the Company is a wholly owned subsidiary of Froneri Limited and is included in the consolidated financial statements of Froneri Lux Topco S.à r.l., 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)

2.1.1. Going concern

At 31 December 2022, the Company had net assets of €937.5 million (2021: €683.2 million). Included in current liabilities are €4.1 million (2021: €1.8 million) of amounts due to parent undertakings which are repayable on demand.

The directors have considered this position, together with the Company's and the Group's budgets, positive net current assets position. These forecasts were subject to a range of sensitivities including a severe but plausible scenario together with the likely effectiveness of mitigating actions. Such sensitivities include any impact of further restrictions due to COVID-19. Under these sensitivities, after taking mitigating actions, the Group continues to have a sufficient level of liquidity to continue in operation and meet its liabilities as they fall due. After making appropriate enquiries, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis for the preparation of the financial statements.

Froneri Lux Topco S.à r.l., the ultimate parent, has provided a letter of financial support to Froneri International Limited which will cover the foreseeable future and will not be withdrawn within the next 12 months.

2.1.2 New standards and amendments

There are no new accounting standards or other amendments or IFRIC interpretations that are effective for the year ended 31 December 2022 that have had a material impact on the Company's financial statements.

2.2 Consolidation

The Company is a wholly owned subsidiary of its parent Froneri Limited. It is included in the consolidated financial statements of Froneri Lux Topco S.à r.l. which are publicly available (see note 16). Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

2.3 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.

2.4 Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life of the computer software. The estimated useful life of computer software is 7 years. Amortisation is not charged until assets are brought into use.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment

Assets in the course of construction are stated at cost. Depreciation is not charged until assets are brought into use.

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of Plant and equipment, less any estimated residual value. The average useful life for assets is 5 years.

2.6 Leases

The Company has applied IFRS16 and elected to apply the following exemptions whereby the following leases will be charged to the Income Statement:

- Leases with a length of less than twelve months from the date of commencement; and
- Low value leases, defined as those where the price of the underlying asset as new is less than €5,000.

For all other lease agreements where the Company is the lessee, the Company recognises a right-of-use asset and a lease liability.

Right of use assets are measured using the cost model and depreciated in accordance with IAS 16 Property, Plant and Equipment on a straight-line basis over the lease term. The lease liability is measured at the present value of the remaining lease payments discounted at the incremental borrowing rate. On application the Company elected to measure the right-of-use asset at an amount equal to the lease liability adjusted for accruals and prepayments. As a result of this there was no difference between the asset and liability to be recognised in retained earnings.

The incremental borrowing rate is the rate of interest that the Company would need to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The all-in discount rate used comprises margin and floating rate. Applicable margins have been determined by reference to existing margins on 3rd party loans which takes into account the credit worthiness of the entity. Floating rates have been sourced directly from Reuters for each applicable currency and relevant maturity which considers existing market conditions. At 31 December 2022 the weighted average incremental borrowing rate margin applied to the discount rates for new leases was 3.5%.

The treatment of non-lease components are assessed by class of underlying asset present within the lease. For vehicles, plant and equipment the value of the non-lease components are included within the lease payment used to derive the lease liability. For buildings (including offices, warehouses and distribution centres), the non-lease components are included in the lease payment.

Where agreements contain extension or termination options which can be implemented by both parties, it is assumed that the date at which the agreement can be terminated without penalty is the end of the lease agreement. Leases which contain purchase options are reassessed where the likelihood of exercising the purchase option changes. Residual value guarantees do not have a significant impact on the Company's leasing arrangements.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

2.6 Leases (continued)

The type of variable payment most prevalent within the Group are those present on vehicles relating to excess mileage, index-linked increases to building rental and annual percentage increases to certain buildings. These variable components are not considered to represent a significant financial risk to the Group in terms of volatility or quantum.

Where variable payments detailed in the lease agreement are those which cannot be readily determined at the measurement point of the lease, such as payments triggered by driving excess kilometres on a lease car, these amounts are charged to the Statement of Profit and Loss as they take place. Leases that contain variable indexed payments will prompt a remeasurement of the lease liability at the point at which the information regarding a change in the underlying index becomes available to adjust the present value of the lease agreement.

If a lease has been committed to but not yet commenced, this is included within the capital commitments note 15 to the financial statements.

2.7 Financial assets

The Company classifies its financial assets in the following categories:

- Amortised cost.
- Fair value through profit or loss (FVTPL)

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets.

Notes to the financial statements (*continued*)

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

2.7 Financial assets (*continued*)

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' and are categorised as fair value through profit or loss. The assets are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other (expenses)/income in the period they arise. Fair values are determined by reference to active market or using valuation techniques where no active market exists.

The following financial assets are classified at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Derivative financial instruments are measured at fair value. This fair value is determined on the basis of market data, available from external contributors. In the absence of an external benchmark, a valuation based on internal models recognised by market participants and favouring data directly derived from observable data such as Over The Counter quotations will be used.

The change in fair value of derivative financial instruments is recorded in the income statement except when they are designated as hedging instruments in a cash flow hedge. In this case, changes in the value of the hedging instruments are recognised directly in equity, excluding the ineffective portion of the hedges. Sources of ineffectiveness may include, changes in credit risk of counterparties, change in the timing of the occurrence of the cash flows being hedged, change in the notional of the hedging instruments or items, i.e. the instruments are larger than the hedged items.

Froneri use derivative financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates. The use of derivative instruments is governed by a Group policy for managing interest rate and currency risks. Derivative instruments include currency forwards and swaps, interest rate swaps and cross currency interest rate swaps.

Hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognised in the statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as (i) a fair value hedge of an asset or liability; (ii) a cash flow hedge or (iii) a hedge of a net investment in a foreign operation. The fair value of the hedging instruments at 31 December 2022 reflects the cumulative change in the fair value of the hedging instruments since inception of the hedges.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

2.8 Investments

Investments are stated at cost less provision for impairment losses.

2.9 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The effective interest is the rate that exactly discounts estimated future cash receipts (including all fees and premiums/discounts) excluding expected credit losses, through the expected life of the debt instrument. This credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method, adjusted for any loss allowance.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

2.14 Current and deferred tax

Income tax on the profit 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 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.

2.15 Critical accounting 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.

A significant area of estimates and judgement for the Company is the valuation of investments, the carrying value of intercompany loans and other intercompany receivables, along with the related assessment for impairment of these items. Management reviews the carrying value of the company's investments and loans annually or if a trigger for impairment arises in the period. Under IFRS 9 intercompany loan receivables are assessed for lifetime expected credit losses.

In making this assessment management perform 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.

The following table summarises the key assumptions:

	Period of cash flow projections	Annual sales growth	Annual margin	Long term growth rate	Pre-tax discount rate
USA	5 years	2.0% to 11.1%	Improvement	2.0%	8.4%
UK	5 years	2.0% to 10.9%	Stable	2.0%	9.8%
Australia	5 years	2.5% to 8.1%	Improvement	2.5%	9.1%
Germany	5 years	2.0% to 12.9%	Improvement	2.0%	8.5%
France	5 years	1.6% to 6.1%	Improvement	1.6%	8.8%
New Zealand	5 years	2.1% to 8.1%	Improvement	2.1%	8.9%
Spain	5 years	1.7% to 7.9%	Improvement	1.7%	9.2%
Switzerland	5 years	1.0% to 4.9%	Improvement	1.0%	7.9%
Other	5 years	1.8% to 81.0%	Various	1.8% to 7.0%	7.6% to 84.5%

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

2.15 Critical accounting estimates and judgements (continued)

In the prior year, the following key assumptions were used:

	Period of cash flow projections	Annual sales growth	Annual margin	Long term growth rate	Pre-tax discount rate
USA	5 years	2.3% to 17.3%	Improvement	2.3%	5.1%
UK	5 years	2.0% to 2.4%	Stable	2.0%	5.3%
Australia	5 years	2.4% to 7.9%	Stable	2.4%	5.3%
Germany	5 years	2.0% to 19.2%	Improvement	2.0%	4.7%
France	5 years	1.3% to 17.6%	Stable	1.3%	4.9%
New Zealand	5 years	2.0% to 8.7%	Improvement	2.0%	5.5%
Spain	5 years	1.7% to 23.8%	Improvement	1.7%	5.5%
Switzerland	5 years	1.0% to 15.0%	Improvement	1.0%	4.5%
Other	5 years	1.4% to 25.7%	Various	1.4% to 7.2%	4.7% to 25.6%

Based on the assessments that management have performed, in the year ended 31 December 2022 the Company has not recognised any additional impairments (2021: €11.7 million) in respect of the carrying value of its investments and no change in the provisions held in respect of the amounts receivable from group undertakings (2021: net €2.3 million reversal of the provisions held) (see note 3 and 6). Currently there are international sanctions in Russia that mean that the Russian subsidiary remains unable to distribute cash dividends. Impairment testing was performed using a value-in-use calculation based on assumptions as described above and no impairment was identified. Management continues to assess the situation in Russia and are mindful of the growing financial and operational challenges.

If the revenue growth and margin assumptions applied were both 1% lower, and the discount rates applied were 1% higher, then the Investment impairment charge would be €24.6 million higher and the provision in respect of amounts receivable from group undertakings for the year would be unchanged (2021: €6.1 million higher) from those noted above.

The recoverable amount would equal the carrying value if the annual sales growth rate assumptions were reduced or the pre-tax discount rates applied were increased throughout the forecasting period as per the below:

	Reduction to annual sales growth	Increase to pre-tax discount rate
USA	8.9%	10.6%
UK	15.7%	22.9%
Australia	11.7%	14.7%
Germany	15.7%	27.5%
France	18.1%	30.3%
New Zealand	39.2%	>100.0%
Spain	8.7%	11.4%
Switzerland	7.0%	7.7%
Other	2.0% to 33.7%	1.3% to >100.0%

Loss allowances against amounts owed by Group undertakings:

The Company holds amounts owed by other entities within the Group. The carrying amounts of these receivables are disclosed at note 10. The decision whether to recognise a loss allowance against such receivables requires judgement in respect of the underlying operational performance and economic risks faced by other Group companies.

Notes to the financial statements (*continued*)

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

2.15 Critical accounting estimates and judgements (*continued*)

If it is decided that the loss allowance should be computed, such computation involves estimation of the expected loss rate. The expected loss rates are based on the payment profiles of receivables over a period of at least 36 months before the end of the relevant reporting year and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that the Company considers would affect the ability of the counterparty to settle the receivables.

2.16 Share-based payments

The Froneri Group has an equity settled share-based payment scheme, operated for the group by Froneri Lux Topco S.à r.l. with Froneri Limited operating as an intermediate holding company.

Share-based payment arrangements in which the Company receives goods or services as consideration for Froneri Limited's 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 capital contribution to equity, over the period that the employees become unconditionally entitled to the awards.

The grant date fair value of share-based payment awards granted to employees of subsidiary companies is recognised as an investment, with a corresponding capital contribution to equity, over the period that the subsidiaries' 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 or investment 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 or investment 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. As the scheme is operated and settled by Froneri Limited, Froneri International Limited's balance is recognised as a capital contribution.

The Group does not have any cash-settled share-based payment transactions.

2.17 Exceptional items

The Company presents as exceptional items on the face of the income statement 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 financial statements to better understand the elements of financial performance in the year, so as to better assess trends in financial performance.

2.18 Other operating income/(expense)

Other operating income represents income receivable from other group companies in relation to managing the group's intellectual property, including the external Nestlé and Mondelēz brand licences.

Other operating expense represents costs incurred in relation to managing the group's intellectual property, including the external Nestlé and Mondelēz brand licences.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

2.19 Interest income/(expense)

Interest income/(expense) is recognised using the effective interest rate method. In calculating interest income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2.20 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Rounding of amounts

All amounts in the financial statements and notes have been rounded to the nearest thousand Euro, unless otherwise stated.

Notes to the financial statements (continued)

3. Operating profit

Operating profit is stated after crediting/(charging):

	2022 €'000	2021 €'000
Other operating income	363,805	298,740
Other operating expenses	(221,242)	(192,864)
Depreciation – of owned assets	(1,341)	(1,297)
Depreciation – of leased assets	(27)	(18)
Amortisation – of other intangible assets (software)	(11,830)	(10,666)
Research and development expenses as incurred	(2,396)	(3,320)
Exceptional items	(2,184)	(11,684)

Other operating income

The Company is the licence holder for the Group's licencing agreements for the Nestlé and Mondelēz brands. The Company holds sub-licences with the Group's operating companies for using the licenced brands in their respective markets. During the year the Company recognised income of €363.8 million (2021: €298.7 million) in respect of managing the Group's intellectual property.

Other operating expenses

As the licence holder for the Group's licencing agreements for the Nestlé and Mondelēz brands, the Company incurred expenses amounting to €221.2 million (2021: €192.9 million) during the year in respect of managing the Group's intellectual property.

Exceptional items

	2022 €'000	2021 €'000
Investment impairment charges	-	11,699
IFRS 9 impairment reversal	-	(2,261)
Integration and restructuring costs	-	238
M&A related transaction costs	53	642
Other exceptional items	2,131	1,366
	2,184	11,684

Impairment charges

The Company tested the recoverability of its investment values and loan receivables, including, where necessary, performing value in use calculations.

As a result of these tests, no additional impairments in respect of the Company's investments were recognised in the year ended 31 December 2022. In the year ended 31 December 2021 a €11.7 million impairment was recognised in relation to the Company's investment in Froneri Philippines Inc.

Notes to the financial statements *(continued)*

3. Operating profit *(continued)*

Impairment charges *(continued)*

Under IFRS 9 intercompany loan receivables were assessed for lifetime expected credit losses. As the Group would continue to refinance the intercompany receivable balances as necessary, the provision against these loans has been calculated based on when the counterparty would have the free cashflow required to repay the loan. This is based on the aforementioned value-in-use calculations used for the investment impairment assessment. The provision calculated is the discounting impact of this delayed payment calculated using the rate applicable in the loan agreement.

During the year ended 31 December 2022 no further impairments for expected credit losses were recognised (2021: net impairment reversal of €2.3 million).

Integration and restructuring costs

During the year the incurred €nil (2021: €0.2 million) of integration and restructuring related costs as part of the consolidation of operations, implementation of operation improvements, realignment of the business model, manufacturing footprint and structural costs, and similar restructuring activities.

M&A related transaction costs

During the year the Company incurred €0.1 million (2021: €0.6 million) of transaction costs for merger and acquisition activity.

Other exceptional items

The other exceptional items of €2.1 million (2021: €1.4 million) includes €1.6 million (2021: €0.3 million) of costs relating to a regulatory recall.

Auditors' remuneration

	2022	2021
	€'000	€'000
Audit of financial statements	26	21
Non-audit services	-	80

Notes to the financial statements (continued)

3. Operating profit (continued)

Employees

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

	Monthly average number of employees 2022	Monthly average number of employees 2021
Administrative and other roles	66	62
	66	62

The aggregate payroll costs of these persons were as follows:	2022	2021
	€'000	€'000
Wages and salaries	10,372	7,551
Social security costs	1,404	951
Other pension costs	540	449
	12,316	8,951

Remuneration of directors

The aggregate remuneration of the directors for the year were as follows:

	2022	2021
	€'000	€'000
Directors' remuneration	3,845	2,452
Aggregate contributions to defined contribution pension schemes	285	278
	4,130	2,730

The aggregate remuneration of the highest paid director in the year was €2.4 million (2021: €1.5 million). This amount does not include any amounts received in respect of share options. A further €0.2 million (2021: €0.2 million) was paid into the defined contribution scheme of this director.

Transactions with key management personnel

The aggregate remuneration of the key management personnel (being the management board group directors) for the year was as follows:

	2022	2021
	€'000	€'000
Remuneration	6,578	4,244
Contributions to defined contribution pension schemes	491	455
Share based payment benefits	1,625	1,646
	8,694	6,345

Notes to the financial statements (continued)

3. Operating profit (continued)

Froneri Lux Topco S.à r.l. employee benefit scheme

Following the acquisition of the Nestlé USA Ice Cream business and the insertion of the new holding company into the Group on 31 January 2020, the Group launched a new equity settled share-based payment scheme in which certain employees were eligible to subscribe for D shares in Froneri Lux Topco S.à r.l., the ultimate holding company of the Group.

Under the scheme, employees must be employed by the Group at a defined exit date to realise a return of value on the shares granted. The return is determined as the share proceeds received as a result of an exit event (e.g. sale of the Group) and after the subscription value and a return of 12% has been paid to the holders of the ordinary and preference share capital. The return is calculated based on an equity value hurdle and a ratchet mechanism, which produces a calculation percentage depending on whether a target return is achieved.

Under this new scheme, a further 10,292 shares were issued to individuals in the year (2021: 429,105 shares). The total charge included in administrative expenses under this scheme in the year was €1.8 million (2021: €1.8 million). An additional amount of €0.3 million (2021: €0.2 million) relating to certain employees of the Company's subsidiary undertakings was also recognised in the Company's investments in the year in relation to this scheme (see note 6).

4. Interest receivable/(payable) and similar income/(expense)

	2022 €'000	2021 €'000
Interest receivable and similar income		
Intercompany interest receivable	49,348	47,070
Foreign exchange gains	44,748	51,020
Other interest receivable	7,575	-
Gains on derivative financial instruments	36,736	-
Total finance income	138,407	98,090
Interest payable and similar expenses		
Intercompany interest payable	(177,490)	(150,477)
Foreign exchange losses	(98,172)	(81,300)
Amortisation of transaction costs	(6,873)	(7,102)
Losses on derivative financial instruments	(2,837)	(32,263)
Write-off of unamortised transaction costs on refinancing	-	(3,024)
Other finance costs	(7,349)	(16,973)
Total finance expenses	(292,721)	(291,139)
Net finance expenses	(154,314)	(193,049)

Notes to the financial statements (continued)

5. Tax on profit

	2022 €'000	2021 €'000
UK corporation tax:		
Current tax (credit)/charge arising in the year	(766)	30,332
Adjustments in respect of prior years	(7,361)	467
Total current tax (credit)/charge for the year	(8,127)	30,799
UK deferred tax:		
Origination and reversal of temporary differences	1,401	(2,236)
Adjustments in respect of prior years	1,672	-
Total deferred tax charge/(credit) for the year (see note 13)	3,073	(2,236)
Total tax (credit)/charge for the year	(5,054)	28,563

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19.0% to 25.0% with effect from 1 April 2023. The deferred taxation balances have been measured using these enacted tax rates and reflected in these financial statements.

For further information on deferred tax balances see note 13.

The standard rate of tax for the year, based on the UK standard rate of corporation, is 19.0% (2021: 19.0%). The actual tax credit for the year is higher (2021: charge is lower) than the standard rate for the reasons set out in the following reconciliation:

	2022 €'000	2021 €'000
Profit before taxation	225,856	662,511
Tax on profit before taxation at UK standard rate of 19.0% (2021: 19.0%)	42,913	125,877
Factors affecting charge for the year:		
Non-deductible impairment charges	-	2,521
Non-deductible interest	4,442	2,744
Non-taxable income	(51,585)	(148,910)
Non-taxable foreign exchange gains and losses	(1,906)	19,764
Impact of tax rate change on deferred tax	-	(632)
Difference in deferred tax rate and current tax rate	(1,033)	-
Deferred tax not recognised	5,844	3,597
Withholding taxes on income from foreign sources	1,960	23,135
Adjustments in respect of prior years – current tax	(7,361)	467
Adjustments in respect of prior years – deferred tax	1,672	-
Total tax (credit) / charge for the year	(5,054)	28,563

The UK group has an accounting policy to charge fellow UK undertakings for group relief.

Notes to the financial statements (continued)

6. Investments

	Shares in subsidiary undertakings €'000
Cost	
At 1 January 2021	3,675,780
Additions	529,834
Return of capital	(20,000)
Disposals	(157,219)
At 31 December 2021	4,028,395
Additions	1,409
At 31 December 2022	4,029,804
Provision for impairments	
At 1 January 2021	(303,666)
Impairment	(11,700)
On disposals	157,185
At 31 December 2021 and 31 December 2022	(158,181)
Net book value	
At 31 December 2021	3,870,214
At 31 December 2022	3,871,623

Additions

The Investment additions in the year ended 31 December 2022 relate to share based payments of €0.3 million (2021: €0.2 million) relating to certain employees of the Company's subsidiary undertakings and a further €1.1m million of capital contribution in the USA subsidiary undertakings.

Notes to the financial statements (continued)

6. Investments (continued)

Impairment

The Company has not recognised any additional impairments against the carrying value of investments in the year ended 31 December 2022 (2021: €11.7 million). As set out in note 2.15 and 3, the Company tested the recoverability of its investment values and loan receivables (note 10), including, where necessary, performing value in use calculations. The impairment charge in the year ended 31 December 2021 related to the Company's investment in Froneri Philippines Inc.

Cash flow forecasts are based on the budget and a three-year strategic plan approved by the Group's Board. The growth rates and margins used to estimate future performance are based on past performance and management's experience of growth rates and margins achievable in key markets.

Discount rates used were pre-tax and reflect the specific risks relating to each cash generating unit. The key assumptions underpinning the forecasts are based on anticipated revenue and gross margin into perpetuity, since management believes this gives a true reflection of the anticipated cash flows of the business. The growth rates used are consistent with the prudent end of the range of assumptions from the group's annual budget and strategic planning process.

Terminal value is calculated using a perpetuity growth rate based on the cash flow forecast for the terminal year. The forecast growth rate used for the years beyond the strategic plan and for perpetuity is based on long term average growth rates for the group's markets.

Notes to the financial statements (continued)

6. Investments (continued)

List of investments

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.

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 37hoses Blvd. District Vrabnitsa 1220 Sofia	T	BGN	Bulgaria	100%
Froneri Finland Oy	PL 35, 02151 ESPOO Finland	T	EUR	Finland	100%
Froneri Development Center Glaces SAS	Zone Industrielle No2 Rue Charles TELLIER F – 60000 BEAUVAIS	R	EUR	France	100%
Froneri Beauvais SAS	Zone Industrielle No2 Rue Charles TELLIER F – 60000 BEAUVAIS	T	EUR	France	100%
Froneri Dange SAS	La Taille du Moulin à Vent – 86220 DANGE SAINT ROMAIN	T	EUR	France	100%
Froneri Holdings France SAS	Le Labour – B.P. 13, 33870 Vayres	H	EUR	France	100%
Froneri Vayres SAS	Le Labour – B.P. 13, 33870 Vayres	T	EUR	France	100%
Froneri France SAS	Le Labour – B.P. 13, 33870 Vayres	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 GmbH	Wasserweg 39, 64521 Groß-Gerau	T	EUR	Germany	100%
Froneri Deutschland Holding GmbH	Nordwestring 201 D-90419 Nürnberg	H	EUR	Germany	100%
Froneri Erlenbacher Immobilien GmbH & Co oHG	Wasserweg 39, 64521 Groß-Gerau	P	EUR	Germany	94%
Froneri Schöller GmbH	Nordwestring 201 D-90419 Nürnberg	T	EUR	Germany	100%
Froneri Schöller Immobilien GmbH & Co oHG	Nordwestring 201 D-90419 Nürnberg	P	EUR	Germany	94%
Froneri Schöller Produktions GmbH	Nordwestring 201 D-90419 Nürnberg	T	EUR	Germany	100%
Janny's Eis Franchise GmbH	Hittfelder Kirchweg 21, D-21220 Seevetal-Maschen	T	EUR	Germany	100%

Notes to the financial statements (continued)

6. Investments (continued)

List of investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Europe (continued):					
Froneri Ice Cream Deutschland GmbH	Eduard-Pestel Str 15, D-49080 Osnabruck	T	EUR	Germany	100%
Froneri Deutschland GmbH	Nordwestring 201 D-90419 Nürnberg	H	EUR	Germany	100%
R&R Holdings Deutschland GmbH	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%
R&R Ice Cream Ireland Limited*	25 – 28 North Wall Quay, Dublin 1. D01 H104	D	EUR	Ireland	100%
Eskigel Srl	Via Augusto Vanzetti no.11, 05100 Terni	T	EUR	Italy	100%
Froneri Italy Srl	Via Asi Consortile 7, n.16 Cap 03013, Ferentino (Fr)	T	EUR	Italy	100%
Froneri Lux Finco S.à r.l.	9, Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	H	EUR	Luxembourg	100%
Froneri Polska 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	Russian Federation, 115054, Moscow, Kosmodamianskaya naberezhnaya, 52, bld. 1, 4 floor, ap. 2, office 4	T	RUB	Russia	100%
Froneri Adriatic doo Stara Pazova	Stara Pazova, Banovački put bb, 22300, Belgrade, Stara Pazova	T	RSD	Serbia	100%
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%

Notes to the financial statements *(continued)*

6. Investments *(continued)*

List of investments *(continued)*

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
<i>Europe (continued):</i>					
Froneri International Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	EUR	United Kingdom	100%
Froneri South Africa Holdings Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	ZAR	United Kingdom	100%
Froneri UK Finco (NZD) Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	NZD	United Kingdom	100%
Froneri UK Finco Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	USD	United Kingdom	100%
R&R Ice Cream UK Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	T	GBP	United Kingdom	100%
Richmond Foods Limited	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	H	GBP	United Kingdom	100%
Richmond Ice Cream 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	GBP	United Kingdom	100%
Windsor Creameries Manufacturing Limited*	Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL	D	GBP	United Kingdom	100%

Notes to the financial statements (continued)

6. Investments (continued)

List of investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Africa:					
Froneri Ice Cream Egypt SAE	Plot No.5, 1 st Industrial Zone, 6 October City, Giza	T	EGP	Egypt	100%
Froneri South Africa (Pty) Limited	14 Spanner Road, Clayville, Olifantsfontein, Gauteng 1665	T	ZAR	South Africa	100%
Rest of the world:					
Froneri Argentina SA	Av. Leandro N. Alem 356, Piso 13º - Buenos Aires, Argentina	T	ARS	Argentina	100%
Australasian Food Group Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	T	AUD	Australia	100%
Mulgrave LeaseCo Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	D	AUD	Australia	100%
New Holdco Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Food MezzCo Pty Limited	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Peters Food Group Pty Limited	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Riviera (Aus) Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Riviera Holdings (Aus) Pty Ltd	254 Wellington Road, Mulgrave, Victoria 3170	H	AUD	Australia	100%
Froneri Brasil Distribuidora de Sorvetes e Congelados Ltda	Estrada dos Bandeirantes 4935, Jacarepaguá, CEP 22775-113, Rio de Janeiro	T	BRL	Brazil	100%
Froneri Israel Ltd	Hamelacha 6, Lod, Israel	H	ILS	Israel	100%
Noga Ice Cream Ltd	Hamelacha 6, Lod, Israel	H	ILS	Israel	100%
Noga Ice Creams Limited Partnership	Hamelacha 6, Lod, Israel	T	ILS	Israel	100%
Froneri NZ Ltd	113 Carbine Road, Mount Wellington, Auckland 1060, New Zealand	H	NZD	New Zealand	100%
Tip Top Ice Cream Company Ltd	113 Carbine Road, Mount Wellington, Auckland 1060, New Zealand	T	NZD	New Zealand	100%
Tip Top Investments Ltd	113 Carbine Road, Mount Wellington, Auckland 1060, New Zealand	H	NZD	New Zealand	100%
Froneri Philippines Inc	National Highway, Barangay Tibag, Pulilan, Bulacan, Philippines, 3005	T	PHP	Philippines	99.998%

Notes to the financial statements (continued)

6. Investments (continued)

List of investments (continued)

Subsidiaries	Registered address	Activity	Currency	Country of incorporation	Ownership interest
Rest of world (continued):					
Payco Foods Corporation	Carr. #2 km 15.1, Calle C #42 Zona Industrial Corujo Bayamon PR 00961	T	USD	Puerto Rico	100%
Froneri US, Inc.	5929 College Avenue, Oakland, CA 94618	H	USD	United States	100%
Dreyer's Grand Ice Cream Holdings Inc	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801	H	USD	United States	100%
Dreyer's Grand Ice Cream, Inc	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801	T	USD	United States	100%
The Haagen-Dazs Shoppe Company, Inc	The Corporation Trust Company, 820 Bear Tavern Road, 3 rd Floor West Trenton, NJ 08628	T	USD	United States	100%

H – denotes an intermediate holding or financing company

D – denotes a dormant company

P – denotes a property investment company

R – denotes a research and development 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.

* The Ireland entity R&R Ice Cream Ireland Limited was dissolved during the year. The UK entities Richmond Ice Cream Limited and Windsor Creameries Manufacturing Limited entered the process of being dissolved during the year and were dissolved on 24 January 2023.

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

Noga Ice Creams Limited Partnership is a limited partnership.

Ownership interest in the above entities are all ordinary shares. Froneri International Limited has 100% of the voting rights in all entities presented.

Certain local managers hold 0.002% of the ordinary share capital in Froneri Philippines Inc.

Notes to the financial statements (continued)

7. Intangible assets

	Computer software €'000
Cost	
At 1 January 2021	70,142
Additions	11,396
At 31 December 2021	81,538
Additions	14,144
At 31 December 2022	95,682
Accumulated Amortisation	
At 1 January 2021	(18,405)
Amortisation charge for the year	(10,666)
At 31 December 2021	(29,071)
Amortisation charge for the year	(11,830)
At 31 December 2022	(40,901)
Net book value	
At 31 December 2021	52,467
At 31 December 2022	54,781

At 31 December 2022 the net book value of the computer software intangible assets includes €10.8 million (2021: €2.8 million) of assets in the course of construction, with no amortisation recognised in relation to these assets during the year.

Notes to the financial statements (continued)

8. Property, plant and equipment

	Plant and equipment €'000	Assets under construction €'000	Total €'000
Cost			
At 1 January 2021	5,832	586	6,418
Additions	73	15	88
Movement in assets under construction	586	(586)	-
At 31 December 2021	6,491	15	6,506
Additions	1,634	2,592	4,226
Movement in assets under construction	15	(15)	-
Disposals	(430)	-	(430)
At 31 December 2022	7,710	2,592	10,302
Accumulated depreciation and impairment			
At 1 January 2021	(2,274)	-	(2,274)
Depreciation charge for the year	(1,297)	-	(1,297)
At 31 December 2021	(3,571)	-	(3,571)
Depreciation charge for the year	(1,341)	-	(1,341)
On disposals	430	-	430
At 31 December 2022	(4,482)	-	(4,482)
Net book value			
At 31 December 2021	2,920	15	2,935
At 31 December 2022	3,228	2,592	5,820

Notes to the financial statements (continued)

9. Right-of-use assets

	Motor vehicles €'000	Office equipment €'000	Total €'000
Cost			
At 1 January 2021	-	10	10
Additions	79	-	79
At 31 December 2021	79	10	89
Modifications	(3)	-	(3)
Disposals	-	(10)	(10)
At 31 December 2022	76	-	76
Accumulated depreciation and impairment			
At 1 January 2021	-	(5)	(5)
Depreciation charge for the year	(14)	(4)	(18)
At 31 December 2021	(14)	(9)	(23)
Depreciation charge for the year	(26)	(1)	(27)
On disposals	-	10	10
At 31 December 2022	(40)	-	(40)
Net book value			
At 31 December 2021	65	1	66
At 31 December 2022	36	-	36

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2022 €'000	2021 €'000
Depreciation charge of right-of-use assets		
Office equipment	1	4
Motor vehicles	26	14
	27	18
Interest expense included in finance costs	2	1
Future minimum lease payments as at 31 December are as follows:		
Not later than one year	27	31
Later than one year and not later than five years	12	42
Total gross payments	39	73
Impact of finance expenses	(4)	(8)
Carrying amount of liability	35	65

The total cash outflow for the lease in the year was €32,300 (2021: €21,000).

Notes to the financial statements (continued)

10. Trade and other receivables

	2022 €'000	2021 €'000
Amounts owed by group undertakings	1,351,617	941,992
Amounts owed by parent undertakings	153,414	137,995
Prepayments and accrued income	10,875	19,485
Other debtors	1,395	1,663
Derivative financial instruments	92,071	522
	1,609,372	1,101,657

Amounts owed by group undertakings are unsecured and stated net of provisions for impairment of €167.9 million (2021: €167.9 million) as a result of applying the loss allowance requirements of IFRS 9: Financial Instruments (see note 3) and includes:

- €1,142.9 million (2021: €803.5 million) of various long term and working capital loan arrangements with group undertakings. The loans accrue interest at various rates ranging between 2.832% to 5.48% and are due for repayment at various dates ranging between 2022 and 2030. As at 31 December 2022 the total amount falling due in more than one year on these intercompany loan arrangements amounted to €693.2 million (2021: €606.7 million).
- €16.7 million (2021: €13.4 million) of accrued interest on the various intercompany loan arrangements with group undertakings.
- €75.6 million (2021: €41.1 million) of cash pooling arrangement balances and €0.1 million (2021: €0.1 million) of accrued interest on these arrangements.
- €116.3 million (2021: €83.9 million) of other non-interest-bearing intercompany balances due from group undertakings, repayable on demand.
- In addition, as referred to in notes 11 and 12, during 2020 the company entered interest rate swaps totalling USD 740.0 million loans to fix the interest rate for USD denominated loans in Froneri US Inc. The derivative is back-to-back and as such held as an external derivative for Froneri International Limited with a corresponding intercompany receivable due to the Company from Froneri US Inc. The balance at 31 December 2022 was a net asset position of USD 27.8 million (€26.0 million) (2021: net liability position of USD 2.3 million (€2.0 million)), with an asset of USD 10.4 million (€9.8 million) due in greater than one year (2021: asset of USD 0.6 million (€0.5 million)).

Amounts owed by parent undertakings includes €80.5 million (2021: €77.4 million) of amounts falling due in more than one year relating to a loan arrangement with Froneri Limited. The loan accrues interest at 4.0% per annum and has a maturity of 18 November 2030. Amounts owed by parent undertakings also includes €72.9 million (2021: €60.6 million) of other non-interest-bearing intercompany balances that are repayable on demand.

Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year

	2022 €'000	2021 €'000
Transaction costs	(6,873)	(6,873)
Accruals and other creditors	34,423	27,120
Amounts owed to parent undertakings	4,145	1,784
Amounts owed to group undertakings	334,356	252,494
Trade payables due to related parties	45,665	54,130
Derivative financial instruments	-	8,598
Taxation and social security	23,786	21,459
Lease liability (see note 9)	24	27
	435,526	358,739

The amounts owed to parent undertakings are unsecured and includes:

- €3.8 million of other non-interest-bearing balances due to parent undertakings repayable on demand (2021: €1.4 million).
- €0.3 million of cash pooling arrangements (2021: €0.3 million).
- €0.1 million of accrued interest (2021: €0.1 million) relating to the €536.8 million loan due to Froneri Limited. The loan arrangement accrues interest at 4.0% per annum and matures on 3 May 2030. The loan is included in the amounts owed to parent undertakings falling due after more than one year (see note 12).

The amounts owed to group undertakings includes:

- €53.2 million (2021: €30.8 million) of other non-interest-bearing intercompany balances due to fellow group undertakings, repayable on demand.
- €7.8 million (2021: €7.4 million) due for repayment in 2023 in relation to the USD denominated intercompany loan due to Froneri Lux Finco S.à r.l. (see note 12) and €28.1 million (2021: €23.2 million) of accrued interest on this loan.
- €245.3 million (2021: €191.1 million) of cash pooling arrangement balances.

In 2020, transaction costs of €51.2 million, incurred as part of the Company's restructuring to finance the Dreyer's acquisition, were capitalised. In the year ended 31 December 2022, €6.9 million of these transaction costs have been amortised (2021: €7.1 million).

As discussed in note 10, the Company during 2020 entered interest rate swaps totalling USD 740.0 million loans to fix the interest rate. At 31 December 2022 this is valued at an asset position of USD 27.8 million (2021: liability position of USD 2.3 million) with the offset as a cashflow hedging reserve. However, these Interest rate swaps are back-to-back with Froneri US Inc and as such there is an equal amount due from Group undertakings as per note 10. The current liability portion at 31 December 2022 is USD 0.0m (€0.0 million) (2021: USD 2.9m (€2.5 million)).

Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year (continued)

In 2020 the entity also entered a series of cross currency interest rate swaps, swapping USD 510.0 million to GBP 390.4 million and USD 325.0 million to AUD 485.4 million, to better match the underlying cashflows. This holds an asset position of €35.3 million at 31 December 2022 (2021: liability position of €38.0 million) with €5.9 million being included as short term (2021: liability position of €4.9 million).

The Company typically uses contracts to mitigate foreign currency exposure on trading. At 31 December 2022 there were 81 such contracts (2021: 39 contracts) outstanding. The net fair value of these contracts at 31 December 2022 was an asset of €9.9 million (2021: liability of €1.2 million).

12. Creditors: amounts falling due after more than one year

	2022 €'000	2021 €'000
Amounts owed to parent undertakings	1,260,523	1,140,507
Amounts owed to group undertakings	2,937,202	2,897,711
Transaction costs (see note 11)	(20,641)	(27,514)
Lease liability (see note 9)	11	38
Derivative financial instruments	-	33,102
	4,177,095	4,043,844

Amounts owed to parent undertakings are unsecured and includes:

- €536.8 million loan (2021: €516.2 million) owed to Froneri Limited, which accrues interest at 4.0% and is repayable in May 2030.
- €667.8 million (2021: €576.1 million) USD denominated intercompany loan (USD 714.7 million (2021: USD 654.9 million)) owed to Froneri Limited, which accrues interest at 9.0% and is repayable in January 2030. The interest accrued at 31 December 2022 was €55.9 million (2021: €48.2 million).

Amounts owed to group undertakings are unsecured and includes:

- €2,180.0 million (2021: €2,180.0 million) EURO denominated intercompany loan, which accrues interest at 2.756% owed to the fellow group undertaking Froneri Lux Finco S.à r.l. The loan has a maturity date of 31 January 2027.
- €760.7 million (2021: €723.5 million) USD denominated intercompany loan (USD 814.1 million (2021: USD 822.5 million)), which accrues interest at 6.634%, owed to the fellow group undertaking Froneri Lux Finco S.à r.l. The loan has a maturity date of 31 January 2027. However, at 31 December 2022 €7.8 million (2021: €7.4 million) is falling due for repayment in less than one year (note 11).

Notes to the financial statements (continued)

12. Creditors: amounts falling due after more than one year (continued)

The Company, in 2020 entered €2,180.0 million and USD 835.0 million of senior secured notes (the "Notes"). The notes are listed on The International Stock Exchange, for which the Company is the issuing entity, and a subsidiary of the ultimate parent company is the subscriber (Froneri Lux Finco S.à r.l.). The interest applied to the notes at 31 December 2022 was 2.756% and 6.634% respectively, payable periodically but not exceeding 6 months. The €2,180.0 million notes are due to be repaid in full on 31 January 2027. The USD 835.0 million notes are to be repaid 0.25% quarterly with the final sum to be repaid on 31 January 2027.

The total amount of creditors included above that were falling due after more than five years at 31 December 2022 was €1,260.5 million (2021: €4,041.4 million).

13. Provisions for liabilities

	Deferred tax liabilities - PPE €'000	Deferred tax liabilities - Other items €'000	Deferred tax liabilities - Total €'000
At 1 January 2021	-	2,510	2,510
Recognised in income (see note 5)	-	(2,236)	(2,236)
Recognised in other comprehensive income	-	690	690
At 31 December 2021	-	964	964
Recognised in income (see note 5)	3,073	-	3,073
Recognised in other comprehensive income	-	138	138
At 31 December 2022	3,073	1,102	4,175

The provision for deferred tax consists of the following deferred tax liabilities:

	2022 €'000	2021 €'000
Deferred tax liabilities due in more than 12 months	3,675	964
Deferred tax liabilities due within 12 months	500	-
Carrying amount at year end	4,175	964

At 31 December 2022 gross unrecognised deferred tax assets relating to other items were €37.8 million (2021: €14.4 million).

There are no unused tax losses or unused tax credits (2021: nil).

Notes to the financial statements (continued)

14. Share capital and reserves

	Called up share capital €'000	Share premium account €'000	Total €'000
On issue and fully paid as at 1 January and 31 December 2022	139,675	242,903	382,578

Ordinary shares

The Company has the following classes of ordinary shares: A Ordinary Euro Shares; Ordinary Euro Shares and Ordinary Sterling Shares.

At 31 December 2022 there are 4,223,048 A Ordinary Euro shares (2021: 4,223,048), 62,182,505 Euro Ordinary Shares (2021: 62,182,505) and 2 GBP ordinary shares (2021: 2) allotted and fully paid up.

The Euro A Ordinary Shares and Euro Ordinary Shares are entitled to voting rights, with one vote per share. The Sterling ordinary shares do not have any voting rights.

Capital contribution reserve

The capital contribution reserve arises on share-based payment charges arising in relation to employees of the company's direct and indirect subsidiary undertakings.

Hedging reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently reclassified to profit or loss as appropriate.

15. Commitments and contingent liabilities

The Company has no commitments or contingent liabilities at 31 December 2022 (2021: €nil).

16. Ultimate parent company

At 31 December 2022 the immediate parent company of the Company was Froneri Limited, a private company incorporated in England and Wales.

On 31 January 2020, Froneri Lux Topco S.à r.l., which is incorporated, domiciled and registered in Luxembourg, became the ultimate parent company of the Group.

The largest and smallest group of undertakings for which consolidated financial statements are prepared is Froneri Lux Topco S.à r.l.. These financial statements are available from Richmond House, Leeming Bar, Northallerton, North Yorkshire, DL7 9UL.

There is no controlling party. At 31 December 2022 the Group was jointly owned by Nestlé SA, a company listed on the Swiss stock exchange, and funds managed by PAI Partners SAS, a private equity firm based in Paris, France.

17. Events after the end of the reporting period

There are no significant post balance sheet events.