Company Registration No. 00691403

Givaudan UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2016

Givaudan UK Limited

Annual report and financial statements for the year ended 31 December 2016

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Givaudan UK Limited

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Officers and professional advisers

Directors

Mr P Chatters
Mr P Parmar

Company Secretary

Mrs C Stiffell

Actuaries

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Briarcliff House
Kingsmead
Farnborough
Hampshire
GU14 7TE

Registered office

Finance Building
Kennington Road
Ashford
Kent
TN24 0LT

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Givaudan UK Limited

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of the Company continues to be the production and distribution of fragrance compounds and distribution of flavour compounds and expects to continue to carry out these activities in the future.

Three operating sites based in the UK form the Givaudan UK Limited legal entity. The sites are based at Ashford, Milton Keynes and Staines. The Ashford site is the only UK site which has manufacturing activity.

Business review

2016 saw total revenue increase by 0.6%. This is a result of an increase in affiliate sales, which has been slightly offset by a decrease in third party sales. Whilst production volume remained in line year on year, this increase is largely related to the mix of sales to our affiliates. The gross profit margin has increased to 9.5% from 9.3% in 2015. Other operating income of £26.6m received during the year is primarily re-charges of functional costs to Givaudan International at an agreed mark-up. The functional costs themselves are included within the appropriate expense categories within the operating expenses. During 2016, there was also a one off defined benefit pension credit adjustment of £5.4m, which is a result of the defined benefit pension schemes for the UK being frozen from 2017 onwards. The total operating expenses have increased by 13.4% during the year, mainly due to an increase in strategic spends in key business areas. Overall, the increased operating profit of £14.6m, compared to the operating profit of £10.7m in 2015 can largely be attributed to the £5.4m pension credit adjustment. This resulted in the operating profit margin increasing from 5.6% in 2015 to 7.6% in 2016. This profit was in line with management's expectations. The net cash flow in the year of £9.7m (2015: £9.6m) was driven by the improvement in working capital management and profits during the year.

There were no subsequent events after the balance sheet date.

Capital structure

Details of the authorised and issued share capital are shown in note 18.

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The percentage of the issued nominal value of the ordinary shares is 100% of the total issued nominal value of all share capital.

Going concern basis

The Company's business activities and performance are set out in the business review. Management's analysis of the Group's ability to continue as a going concern is presented in the Givaudan SA's annual report which is publically available. The financial position of the Company, its cash flows, liquidity position and borrowings are set out in the main body of the financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Strategic report (continued)

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company relate to the current economic environment and those financial risks as disclosed below. Day to day operating financing requirements are met by Givaudan SA group's in-house treasury function (where incoming and outgoing cash is swept on a daily basis).

Financial risk objectives and policies

The key areas of financial and commercial risk that the Company face are liquidity, credit, interest and currency risk. These risks are managed centrally by Givaudan SA, and full details of the group policies and practices with regard to these risks are disclosed within the Givaudan SA annual report. Refer to note 24 for a discussion on the Company's risk management activities.

Supplier payment policy

The Company's policy concerning the majority of its trade creditors is to follow the Confederation of British Industry's (CBI) prompt payer's code, copies of which are available from the CBI, Centre Point, 103 New Oxford Street, London, WC2A 1DU. The Company's policy is to:

- settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Trade creditors of the Company at 31 December 2016 were equivalent to 36 days (2015: 22 days) purchases, based on the average daily amount invoiced by suppliers during the year.

Fixed assets

In the opinion of the directors, the current open market value of the Company's interests in land and buildings is not significantly different from the carrying value in these statutory accounts.

Research and development costs

During the year the Company's total research and development costs were £12,981,000 (2015: £11,980,000). All costs are recognised in profit or loss in the period in which they are incurred.

Charitable and political contributions

During the year the Company made charitable donations of £50,219 (2015: £20,331).

The Company made no political contributions during either year.

Disabled employees

The following policy has been applied in respect of the employment of disabled persons, as defined by the Disabled Persons (Employment) Act 1944:

The Company recognises its responsibility to employ disabled persons in suitable employment, and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities.

Any employee who becomes disabled is encouraged to remain in the Company's employment and in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work, which is available, and any necessary training is arranged. Disabled employees generally are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Strategic report (continued)

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

Employee involvement has been promoted by a number of means at the three principal sites of the Company in the UK.

These are summarised in the following notes:

1. Team Briefing

Team briefing has continued at Ashford, Milton Keynes and Staines during 2016. Its objective is to ensure that all employees are regularly informed of the progress of the business, including financial and economic factors affecting the performance of the Company.

A briefing document is prepared each month, setting out the Company's progress against volume and financial targets, key features of Company performance, and personnel developments such as organisation changes and appointments. This brief is then cascaded through the management and supervisory hierarchy by nominated briefers, each of who communicates with their own team. The brief is added to during the process to incorporate items relating to both site and departmental issues. In addition to the regular monthly briefs, use is made of the system to give special briefs on an ad hoc basis when it is important to inform all employees quickly on an issue of key importance to them as employees.

2. Site Councils

2.1 Ashford

This Council meets six times a year and is chaired by a manager of the Company. It comprises eleven members drawn from all grades and functions on the Ashford site. The Council consults on a wide range of issues including topics raised through the briefing system and conditions of employment.

2.2 Milton Keynes

The Council meets on a quarterly basis and is chaired by a manager of the Company. It comprises five members including the chair. The Council consults on a wide range of issues including topics raised through the briefing system and conditions of employment.

Approved by the Board of Directors
and signed on behalf of the Board

Mr P Parmar
Director

11 April 2017

Givaudan UK Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 31 December 2016.

The Strategic report included in Pages 2-4 of the report forms part of this Directors' report. Under s414C(11) of the Companies Act 2006, the directors have included in the strategic report such matters otherwise required by regulations made under s416(4) to be disclosed in the directors' report as they consider them of strategic importance. Such items include capital structure, principal risks and uncertainties, including financial risks management, charitable and political contributions and employee consultations.

Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors who served during the year and up to the date of signing:

Mr P Chatters	(Retired on 26 January 2017)
Mrs C Mulvey	(Resigned on 29 April 2016)
Mr P Parmar	(Appointed on 29 April 2016)
Mr I Messenger	(Appointed on 26 January 2017)

Directors' interests

None of the directors of the Company had any interests in the Company share capital.

Directors' share options

The directors are invited to participate in the profit share plans and share option plans of the parent Company, Givaudan SA. Details of these plans are given in note 22.

Directors' indemnities

The Company's parent, Givaudan SA, has made qualifying third party indemnity provisions for the benefit of the UK directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
And signed on behalf of the board

Mr P Parmar
Director

11 April 2017

Directors' responsibilities statement

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

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have chosen to prepare Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Givaudan UK Limited

We have audited the financial statements of Givaudan UK Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the Company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

Givaudan UK Limited

Independent auditor's report to the members of Givaudan UK Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Helen Burridge

Helen Burridge (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

11 April 2017

Givaudan UK Limited

Statement of Comprehensive Income
For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Continuing operations			
Revenue	2	191,558	190,464
Cost of sales		(173,299)	(172,680)
Gross profit		18,259	17,784
Other operating income		26,642	24,380
Defined benefit pension credit	23	5,409	-
Marketing, sales and distribution costs		(17,525)	(15,776)
Research and product development costs		(12,981)	(11,980)
Administrative expenses		(4,248)	(2,765)
Other operating expenses		(799)	(1,292)
Restructuring costs		(139)	335
Operating profit		14,618	10,686
Finance income	7	3,616	559
Finance costs	8	(4,112)	(2,763)
Profit before tax		14,122	8,482
Tax	9	(840)	(197)
Profit for the year	4	13,282	8,285
Items that will not be reclassified subsequently to the income statement:			
Re-measurement of (loss)/gain on retirement benefit schemes	23	(26,715)	29,089
Income tax relating to items that will not be subsequently reclassified to the income statement		4,036	(6,829)
Other comprehensive (loss)/income for the year net of tax		(22,679)	22,260
Total comprehensive (loss)/income for the year		(9,397)	30,545

Statement of Financial Position
As at 31 December 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Goodwill	10	9,396	9,396
Property, plant and equipment	11	34,373	34,269
Deferred tax asset	15	3,436	132
		47,205	43,797
Current assets			
Inventories	12	20,076	19,723
Trade and other receivables	13	51,427	40,438
Derivative financial instruments	24	217	57
Cash and bank balances		110,030	100,290
		181,750	160,508
Total assets		228,955	204,305
Current liabilities			
Trade and other payables	16	(49,021)	(35,158)
Borrowings	14	(35,344)	(35,344)
Provisions	17	(165)	(154)
		(84,530)	(70,656)
Net current assets		97,220	89,852
Non-current liabilities			
Long-term provisions	17	(563)	(346)
Retirement benefit scheme net deficit	23	(40,192)	(21,568)
		(40,755)	(21,914)
Total liabilities		(125,285)	(92,570)
Net assets		103,670	111,735
Equity			
Share capital	18	70	70
Retained earnings	19	103,600	111,665
Equity attributable to owners of the Company		103,670	111,735

The financial statements of Givaudan UK Limited, registered number 00691403 were approved by the Board of Directors and authorised for issue on 11 April 2017.

Signed on behalf of the Board of Directors

Mr P Parmar
Director

Givaudan UK Limited

Statement of Changes in Equity
As at 31 December 2016

	Notes	Share capital £'000	Retained earnings £'000	Total Equity £'000
Balance at 1 January 2015		70	80,062	80,132
Profit for the year ended 31 December 2015		-	8,285	8,285
Other comprehensive income for the year				
Re-measurement of (loss)/gain on retirement benefit schemes	23	-	29,089	29,089
Income tax relating to items that will not be subsequently reclassified to the income statement		-	(6,829)	(6,829)
Total comprehensive income for the year		-	30,545	30,545
Credit to equity on account of share based payments	22	-	1,058	1,058
Balance at 1 January 2016		70	111,665	111,735
Profit for the year ended 31 December 2016		-	13,282	13,282
Other comprehensive income for the year				
Re-measurement of (loss)/gain on retirement benefit schemes	23	-	(26,715)	(26,715)
Income tax relating to items that will not be subsequently reclassified to the income statement		-	4,036	4,036
Total comprehensive income for the year		-	(9,397)	(9,397)
Credit to equity on account of share based payments	22	-	1,332	1,332
Balance at 31 December 2016		70	103,600	103,670

Givaudan UK Limited

Cash Flow Statement
For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Net cash from operating activities	20	13,104	11,084
Investing activities			
Interest received		289	373
Interest expense		(905)	(940)
Purchases of property, plant and equipment		(2,748)	(950)
Net cash used in investing activities		(3,364)	(1,517)
Net increase in cash and cash equivalents		9,740	9,567
Cash and cash equivalents at beginning of year		100,290	90,723
Cash and cash equivalents at end of year		110,030	100,290

Notes to the financial statements
For the year ended 31 December 2016

1. General information

Givaudan UK Limited is a private company limited by shares incorporated in the United Kingdom in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1 of the report. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 4 of the report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest thousand pounds to aid with clarity. Foreign transactions are included in accordance with the policies set out in note 2.

2. Significant accounting policies

Basis of accounting

The financial statements of Givaudan UK Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, International Financial Reporting Standards issued by the International Accounting Standards Board and the Companies Act 2006 applicable to companies reporting under International Financial Reporting Standards.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Adoption of new and revised standards

The Company has reviewed the list of amendments to IFRS's issued by the International Accounting Board (IASB) that are mandatorily effective after 1 January 2016, however none of them are applicable for the Company. At the date of authorisation of these financial statements the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
IAS 7 (amendments)	Disclosure Initiative
IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS 10, IFRS 12 and IAS 28 (amendments)	Investment Entities: Applying the Consolidation Exception
IFRS 10 and IAS 28 (amendments)	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as that IFRS 9 will impact both the measurement and disclosures of Financial Instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IFRS 16 may have an impact on lease recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9, IFRS 15 and IFRS 16 until a detailed review has been completed.

2. Significant accounting policies (continued)

Going concern

As further described in the Strategic Report the directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, despite the uncertain economic outlook. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to benefit from the synergies of the combination. The recorded amount of goodwill of £9,396,000 is entirely attributable to the UK flavours business. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a business, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other operating income

Other operating income represents the income received from re-charges of functional costs to other Givaudan entities at an agreed mark-up. The income is recognised on a monthly basis once the costs can be measured reliably and is re-charged to the appropriate Givaudan entity who assumes the economic benefit. These re-charges are in line with the advanced pricing agreement that the Company has in place with the HMRC.

Notes to the financial statements (continued)
For the year ended 31 December 2016

2. Significant accounting policies (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. There were no borrowing costs in the year in relation to spend on qualifying capital expenditure.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

Retirement benefit obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, principally dependent on an employee's years of service and remuneration at retirement. Plans are usually funded by payments from the Company and employees to financially independent trusts.

The information displayed in these accounts is calculated in accordance with IAS 19. Effective 1 January 2013, the Company has adopted the revisions to IAS 19 published in June 2011 and will immediately recognise in equity any unrecognised amounts.

For defined benefit pension plans, pension costs are calculated on the basis of various demographic and economic assumptions using the projected unit credit method. This method first predicts the total benefit to be paid to each participant at his assumed retirement date and then allocates the accrual for each portion of the benefit accruing during each year to that year. The retirement benefit obligation recognised in the statement of financial position represents the deficit or surplus in the Company's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into publicly or privately administrated funds. The Company has no further payment obligations once the contributions have been made. The contributions are charged to the income statement in the year to which they relate.

2. Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their deemed cost value, being (1) the fair values attached to fixed assets upon acquisition by Givaudan in the case of the Ashford site, and (2) the actual historical cost in the case of the Milton Keynes and Staines sites. Fixed assets held for sale are stated at expected realisable value.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Buildings, plant and machinery are stated at deemed cost less accumulated depreciation and any recognised impairment loss.

Notes to the financial statements (continued)
For the year ended 31 December 2016

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is recognised so as to write-off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold buildings	40 years
Plant and machinery	3-15 years
Motor vehicles	5 years

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

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

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, using foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 24.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of assets

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to the financial statements (continued)
For the year ended 31 December 2016

2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments

Key members of Givaudan UK Limited are invited to participate in share option plans and a performance share plan established by the parent Company Givaudan SA using that Company's share capital.

Details regarding the share-based payments relevant to employees of Givaudan UK Limited are set out in note 22.

The Company recognises the charge for any share option plans by way of a "Capital Contribution" reserve on the balance sheet, as no amounts are ever expected to be reimbursed to Givaudan SA by the Company. The charge for share-based payments is calculated by estimating the fair value of the award at the date of grant and expensed on a straight line basis over the vesting period. There are no market conditions involved.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements including those involving key sources of estimation uncertainty that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in financial statements.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £9,396,000 with no impairment recognised during 2016.

Notes to the financial statements (continued)
For the year ended 31 December 2016

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Defined benefit pension scheme

The surplus or deficit in the defined benefit section of the pension scheme that is recognised through the statement of comprehensive income is subject to a number of assumptions and uncertainties. The calculated liabilities of the scheme are based on assumptions regarding salary increases, inflation rates, discount rates and member longevity. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes. Details of the defined benefit pension scheme are set out in note 23. There are no key sources of estimation uncertainty.

4. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	2016 £'000	2015 £'000
Net foreign exchange losses	951	70
Research and development costs	12,981	11,980
Depreciation of property, plant and equipment	2,638	2,475
Loss on disposal of property, plant and equipment	6	6
Operating lease costs	279	223
Inventory provisions	572	(329)
Inventory discards	918	926

5. Auditor's remuneration

	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts		
Audit of the current annual financial statements	58	58
Out of pocket expenses	2	3
Total audit fees	60	61

6. Staff costs

The average monthly number of employees (including directors) was:

	2016 No.	2015 No.
Production	171	170
Marketing, selling and distribution	152	154
Administration	40	42
Total average number of employees	363	366

Notes to the financial statements (continued)
For the year ended 31 December 2016

6. Staff costs (continued)

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	16,557	15,315
Social security costs	3,021	2,319
Defined benefit pension costs (see note 23)	2,487	3,640
Administration expenses on defined benefit pension costs (see note 23)	910	1,040
Defined contribution pension costs	1,211	1,178
	24,186	23,492

Included in the costs above are costs relating to the directors of the Company, as follows:

	2016 £'000	2015 £'000
Directors' emoluments	405	314
Company contributions to defined contribution schemes	1	10
	406	324

The aggregate emoluments of the highest paid director were £240,923 (2015: £191,280).

	2016 £'000	2015 £'000
Retirement benefits are accruing to the following number of directors under:		
Defined contribution scheme	2	1
Defined benefit scheme	1	-

6. Finance income

	2016 £'000	2015 £'000
Interest income on pension	378	186
Interest on bank deposits and similar income	289	373
Gain arising on derivatives in a designated fair value hedge accounting relationship	2,949	-
	3,616	559

Notes to the financial statements (continued)
For the year ended 31 December 2016

8. Finance costs

	2016 £'000	2015 £'000
Interest cost on pension	1,016	1,823
Interest on loans	905	940
Losses arising on derivatives in a designated fair value hedge accounting relationship	2,191	-
	4,112	2,763

9. Tax

	2016 £'000	2015 £'000
Corporation tax:		
Current year	108	584
	108	584
Deferred tax (note 15):		
Current year	732	(387)
Total tax charge	840	197

Corporation tax is calculated at an average rate 20% (2015: 20.25%) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £'000	2015 £'000
Profit before tax on continuing operations	14,122	8,482
Tax at the UK corporation tax rate of 20% (2015: 20.25%)	2,824	1,718
Tax effect of expenses that are not deductible in determining taxable profit	(81)	39
Group relief for nil consideration	(1,172)	(556)
Effect of reduction in UK corporation tax rate from 18% to 17%	(731)	(1,004)
Tax charge for the year	840	197

10. Goodwill

	£'000
Cost	
At 1 January and 31 December 2016	9,396
Impairment losses	
At 31 December 2016	-
Carrying amount	
At 1 January and 31 December 2016	9,396

Notes to the financial statements (continued)
For the year ended 31 December 2016

10. Goodwill (continued)

Goodwill relates to the acquisition of the business, assets and liabilities of Tastemaker Limited and the Food Ingredients Specialities business and was originally being amortised over 20 years. The deemed cost disclosed above comprises the original cost value of £22,047,000 less accumulated amortisation up to and including 31 December 2009 of £12,651,000 as recorded in the UK GAAP financial statements of the Company.

The Company prepares cash flow forecasts for a period of five years on the basis of the most recent financial budgets approved by management for the next financial year. The cash flows are discounted with a weighted average cost of capital (pre-tax) of 10.3%. Assumptions for changing selling prices and direct costs are based on past practices and expectations of future changes in the market. It is anticipated that sales volumes will increase at the rate of 1% for the next 5 years (2015: 1% for the next 3 years and 2% for the 2 years thereafter) on the basis of recent experience and at a rate of 2% thereafter into perpetuity on the basis of UK industry outlook report by IMF.

In the opinion of the directors, based on the analysis of forecast future cash flows for the Flavours cash generating unit, at the beginning and end of the financial year the recoverable amount of goodwill was substantially in excess of its book value, indicating no impairment of its carrying value.

Notes to the financial statements (continued)
For the year ended 31 December 2016

11. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Assets in course of construction £'000	Total £'000
Cost					
At 1 January 2015	36,670	19,452	10	139	56,271
Additions	-	-	-	932	932
Transfers between categories	605	484		(1,071)	18
Disposals	-	(187)	-	-	(187)
At 31 December 2015	37,275	19,749	10	-	57,034
Additions	-	-	-	2,544	2,544
Transfers between categories	1,467	627	-	(1,890)	204
Disposals	(17)	(130)	-	-	(147)
At 31 December 2016	**38,725**	**20,246**	**10**	**654**	**59,635**
Depreciation					
At 1 January 2015	9,761	10,700	10	-	20,471
Eliminated on disposals	-	(181)	-	-	(181)
Charge for the year	1,134	1,341	-	-	2,475
At 31 December 2015	10,895	11,860	10	-	22,765
Transfers between categories	(40)	40	-	-	-
Eliminated on disposals	(14)	(127)	-	-	(141)
Charge for the year	1,150	1,488	-	-	2,638
At 31 December 2016	**11,991**	**13,261**	**10**	-	**25,262**
Carrying value					
At 31 December 2015	26,380	7,889	-	-	34,269
At 31 December 2016	**26,734**	**6,985**	-	**654**	**34,373**

Notes to the financial statements (continued)
For the year ended 31 December 2016

12. Inventories

	2016 £'000	2015 £'000
Raw materials	15,954	14,862
Work-in-progress	32	8
Finished goods	4,090	4,853
	20,076	19,723

There is no material difference between stock cost and replacement value.

13. Trade and other receivables

	2016 £'000	2015 £'000
Amount receivable for the sale of goods to 3rd parties	17,147	16,530
Amount receivable for the sale of goods to related parties	32,204	21,991
Allowance for doubtful debts	(165)	(152)
	49,186	38,369
Other debtors	19	13
Corporation tax receivable	1,861	1,624
Prepayments	361	432
	51,427	40,438

Trade receivables disclosed above are measured at amortised cost.

Givaudan UK Limited stipulate terms stated on the order confirmation, whereby payment without discount is ordinarily expected 30 days from the date of the invoice. However, some overseas customers have individually agreed payment terms, with the longest credit terms offered being 360 days. The Company reserves the right to suspend further deliveries, or require any satisfactory securities, in the event that the customer fails to pay in full for any one shipment when it becomes due.

No interest is charged on intergroup balances.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Notes to the financial statements (continued)
For the year ended 31 December 2016

13. Trade and other receivables (continued)

Ageing of past due but not impaired receivables

	2016 £'000	2015 £'000
Not due	44,109	28,366
1- 30 days	552	5,332
30-60 days	(94)	229
60-90 days	157	122
90-120 days	4,627	4,472
Total	49,351	38,521

Movement in the allowance for doubtful debt

	2016 £'000	2015 £'000
Balance at the beginning of the period	152	69
Amounts written-off during the year as uncollectible	(6)	-
Amounts recovered during the year	(53)	-
Increase in provision in the year	72	83
Balance at the end of the period	165	152

In determining the recoverability of a trade receivable the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

14. Borrowings

	2016 £'000	2015 £'000
Unsecured borrowing at amortised cost		
Loan from Givaudan Finance SA	35,344	35,344
Total borrowings	35,344	35,344

The loan from Givaudan Finance SA is unsecured, carries interest at GBP Swap Rate plus 154 base points, the rate will be reset semi-annually and is repayable on 22 June 2018.

Notes to the financial statements (continued)
For the year ended 31 December 2016

15. Deferred tax

The Finance Act 2013 provided for a reduction in the main rate of UK corporation tax from 23% to 21%, effective from 1 April 2014, with further reductions in the main tax rate to 20% effective from 1 April 2015. These were substantively enacted on 2 July 2013. The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £'000	Short-term temporary differences £'000	Pension relief temporary difference £'000	Research and development tax credit temporary difference £'000	Total £'000
As at 31 December 2015	(3,843)	92	3,883	-	132
Credit/(charge) to profit	1	46	(1,618)	108	(1,463)
Effect of change in tax rate	213	(14)	532	-	731
Credit to other comprehensive income	-	-	5,343	-	5,343
Effect of change in tax rate	-	-	(1,307)	-	(1,307)
As at 31 December 2016 (non-current)	(3,629)	124	6,833	108	3,436

16. Trade and other payable

	2016 £'000	2015 £'000
Trade creditors 3rd parties	17,222	10,675
Trade creditors related parties	20,240	14,551
Other taxes payable	3,501	3,701
Other creditors	1,034	926
Accruals and deferred income	7,024	5,305
	49,021	35,158

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 36 days.

For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, some suppliers charge interest on the outstanding balances at various interest rates. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. No interest is payable on intergroup balances.

The directors consider that the carrying amount of trade payables approximates to their fair value.

Notes to the financial statements (continued)
For the year ended 31 December 2016

17. Provisions

	2016 £'000	2015 £'000
Restructuring provision	165	154
Litigation provision	-	133
Other	563	213
	728	500
Current	165	154
Non-current	563	346
	728	500

	Restructuring provision £'000	Litigation provision £'000	Other £'000	Total £'000
At 1 January 2016	154	133	213	500
Additional provision in the year	110	-	350	460
Utilisation of provision	(71)	(47)	-	(118)
Reversal of provision	(28)	(86)	-	(114)
At 31 December 2016	165	-	563	728

The restructuring provision includes the ongoing restructure costs.

The litigation provision related to an employee related claim which was settled during the year.

The other provision relates to a £350,000 provision for ex-gratia pension top-up for 2 former employees who we continue to make payments for and a provision for the dilapidation of the Staines office for £213,000. It represents the management's best estimated cost of returning the building back to its original condition, at the end of the lease agreement, which is in 2018.

18. Share capital

	2016 £'000	2015 £'000
Authorised:		
100,000 ordinary shares of £1 each	100	100
Issued and fully paid:		
70,000 ordinary shares of £1 each	70	70

The Company has one class of ordinary shares which carry no right to fixed income.

Notes to the financial statements (continued)
For the year ended 31 December 2016

19. Retained earnings

	2016 £'000	2015 £'000
Balance as at 1 January	111,665	80,062
Net profit for the year	13,282	8,285
Credit on account of share based payments	1,332	1,058
Other comprehensive income	(22,679)	22,260
Balance at 31 December	103,600	111,665

20. Notes to the cash flow statement

	2016 £'000	2015 £'000
Profit for the year after tax	13,282	8,285
Adjustments for:		
Movement in pension balances	(8,092)	(2,073)
Interest received	(288)	(373)
Interest expense	905	940
Share-based payments expense	1,332	1,058
Depreciation of property, plant and equipment	2,638	2,475
Loss on disposal of property, plant and equipment	6	6
Taxes paid	495	(1,890)
Increase/(decrease) in short-term provisions	11	(400)
(Decrease)/increase in derivative financial instruments	(160)	52
Increase/(decrease) in long-term provisions	217	(112)
Operating cash flows before movements in working capital	10,346	7,968
(Increase)/decrease in inventories	(353)	56
(Increase) in receivables	(10,752)	(1,711)
Increase in payables	13,863	4,771
Net cash from operating activities	13,104	11,084

Cash and cash equivalents

	2016 £'000	2015 £'000
Cash and bank balances	110,030	100,290

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

Notes to the financial statements (continued)
For the year ended 31 December 2016

21. Operating lease arrangements

The Company as lessee

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £'000	2015 £'000
Within one year	603	457
In the second to fifth years inclusive	827	587
After five years	35	38
	1,465	1,082

Operating lease payments represent rentals payable by the Company for certain of its office properties, its motor vehicles and some items of plant and machinery.

22. Share-based payments

Key members of Givaudan UK Limited are invited to partake in share option plans and a performance share plan established by the parent Company Givaudan SA using that Company's share capital. As such the disclosure included below is denominated in Swiss Francs, being the local currency of the parent Company.

Performance share plan

Performance shares shown in the table below were granted in 2013, 2014, 2015 and 2016. These performance shares are converted into tradable and transferable shares of Givaudan SA after the vesting period, subject to performance conditions. The performance metric is the comparison of the business plan to the actual cumulative cash flow.

Year of Grant	Commencing Date	Vesting Date	Number of shares expected to be delivered at vesting date	Weighted average fair value (CHF)
2013	29.3.13	29.3.16	1,291	1,041.4
2014	31.3.14	31.3.17	1,142	1,214.4
2015	31.3.15	31.3.18	1,248	1,595.9
2016	31.3.16	15.4.19	3,753	1,709.4

The cost of these shares amounted to £1,332,459 (2015: £1,058,487) and has been expensed in the statement of comprehensive income. Two of the directors exercised performance share plan options during 2016.

Givaudan UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

22. Share-based payments (continued)

Equity-settled instruments related to share options

Share options shown in the table below have been granted in 2012. These options are tradable and transferable after the vesting period.

Share options outstanding at the end of the year have the following terms:

Year of Grant	Maturity Date	Vesting Date	Strike Price* (CHF)	Ratio* (option: share)	Option value at grant date (CHF)	Number of options 2016	Number of options 2015
2012	1.3.17	1.3.14	915.0	7:0:1	15.41	-	125

* Strike price and ratios of options have been adjusted consecutively to the approval of the Givaudan SA shareholders, at the AGM held on 27 April 2005, to distribute extraordinary dividends, and in 2009, subsequent to the share capital increase related to the rights issue.

There was no expense to the statement of comprehensive income during the year (2015: Nil). None of the directors exercised equity-settled share options during 2016.

Movements in the number of options rights outstanding are as follows:

	2016 No.	2015 No.
As at 1 January 2016	125	1,750
Sold/lapsed/cancelled	(125)	(1,625)
As at 31 December 2016	-	125

Equity-settled instruments related to restricted shares

Restricted shares shown in the table below have been granted in 2012 and 2015. These shares are tradable and transferable after the vesting period.

Restricted shares outstanding at the end of the year have the following terms:

Year of Grant	Maturity Date	Vesting Date	Restricted shares at grant date (CHF)	Number of restricted shares 2016	Number of restricted shares 2015
2012	1.3.17	1.3.15	810.3	-	-
2015	31.3.20	31.3.18	1,595.9	-	-

There were no outstanding restricted shares (2015: none) and no share (2015 : none) was deliverable. There was no expense to the statement of comprehensive income during the year (2015: £nil). None of the directors exercised equity-settled share options during 2016.

22. Share-based payments (continued)

Equity-settled instruments related to restricted shares (continued)

Movements in the number of restricted shares outstanding are as follows:

	2016 No.	2015 No.
As at 1 January 2016	-	555
Sold/lapsed/cancelled	-	(555)
As at 31 December 2016	-	-

For this plan, the Group had at its disposal treasury shares.

23. Retirement benefit schemes

Givaudan UK Pension Plan

The Givaudan UK Pension Plan is a hybrid scheme, comprising both defined benefit, referred to below as the "Givaudan scheme", and defined contribution sections. The Plan's assets are held separately by Trustees and are valued every three years by an independent professionally qualified actuary.

Quest UK Pension Scheme

Under its previous ownership, the Company participated in the ICI Specialty Chemicals Pension Fund, which covered the majority of its employees. Following the acquisition of the Company by Givaudan SA, a new scheme, the "Quest UK Pension Scheme", was set up and those members that wished to, transferred to this new scheme.

The Quest UK Pension Scheme is a trustee administered pension plan. There is a defined benefit section which mirrors the arrangements that were in place in the ICI Specialty Chemicals Pension Fund and there is also a defined contribution section. The defined benefit section provides benefits based on employees' years of service and final pensionable pay, and was closed to new members in October 2000. The Plan's assets are held separately by Trustees and are valued every three years by an independent professionally qualified actuary.

The defined benefit schemes expose the Company to actuarial risks, such as longevity risk, currency risk, inflation risk, interest risk and market (investment) risk. The Company is not exposed to any unusual entity specific or unusual scheme special risks.

The defined benefit scheme for both the Givaudan UK pension plan and the Quest UK pension scheme will be frozen for current members from 31 March 2017 onwards and members are invited to join the existing defined contribution scheme going forward. The impact of this has resulted in a one-off defined benefit pension credit of £5,409,000, as seen on the face of the Statement of Comprehensive Income.

Notes to the financial statements (continued)
For the year ended 31 December 2016

23. Retirement benefit schemes (continued)

The Defined Contribution Section of the Quest UK Pension Scheme (Previously "Benefit Builder")

Individuals employed by the Company since 2000 and existing members who opted to transfer from the ICI Fund were offered membership of the defined contribution scheme - ICI UK Retirement Plan – "Benefit Builder". Following the acquisition of the Company by Givaudan SA, a new defined contribution scheme called "The Defined Contribution Section of the Quest UK Pension Scheme" was set up.

The pension cost charged to the profit and loss in respect of the Defined Contribution section of the Quest UK pension scheme for the year was £1,211,000 (2015 : £1,178,000). There were no provisions or prepayments resulting from the difference between the amounts recognised as cost and the amounts paid to the scheme at either 31 December 2015 or 31 December 2016.

The major assumptions used by the actuaries of each scheme for the purposes of the IAS19 valuations were:

	Givaudan Scheme		Quest Scheme	
	2016	2015	2016	2015
	%	%	%	%
Key assumptions used:				
Discount rate	2.6	3.70	2.6	3.70
Future salary increases	-	3.75	-	3.75
Cost of living adjustment	2.55	2.55	3.25	3.25

The 2016 assumptions for future salary increases for both schemes are nil, since the scheme will be frozen for current members from 31 March 2017 onwards.

Mortality assumptions:

Investigations have been carried out into the mortality experience of the Company's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Givaudan Scheme		Quest Scheme	
	2016	2015	2016	2015
	Years	Years	Years	Years
Retiring today:				
Males	22.1	22.1	22.1	22.1
Females	24.1	24.1	24.1	24.1
Retiring in 20 years:				
Males	23.8	23.8	23.8	23.8
Females	26.0	26.0	26.0	26.0

Notes to the financial statements (continued)
For the year ended 31 December 2016

23. Retirement benefit schemes (continued)

Various assumptions have significant effects on the amounts recognised in the profit or loss. The following shows the effects that changes in different assumptions would have on service cost during the fiscal year and on defined benefit obligation at the end of the year:

	Givaudan Scheme		Quest Scheme	
	Effect on service cost £'000	Effect on defined benefit obligation £'000	Effect on service cost £'000	Effect on defined benefit obligation £'000
0.5% Increase in discount rate	(29)	(5,089)	(324)	(23,749)
0.5% Decrease in discount rate	34	5,590	371	26,589
0.5% Increase in future salary increases	15	427	148	3,713
0.5% Decrease in future salary increases	(14)	(401)	(139)	(3,513)
0.5% Increase in future pension increases	17	4,789	212	18,635
0.5% Decrease in future pension increases	(15)	(4,293)	(191)	(16,781)
One Year Increase in life expectancy	7	2,330	83	8,158
One Year Decrease in life expectancy	(7)	(2,315)	(83)	(8,140)

Amounts recognised in the statement of comprehensive income are as follows:

	Givaudan Scheme 2016 £'000	Givaudan Scheme 2015 £'000	Quest Scheme 2016 £'000	Quest Scheme 2015 £'000	Total 2016 £'000	Total 2015 £'000
Current service cost	(988)	327	(1,499)	3,313	(2,487)	3,640
Administration expenses	410	380	500	660	910	1,040
Net interest (income)/ cost	(378)	(186)	1,016	1,823	638	1,637
	(956)	521	17	5,796	(939)	6,317

Net interest (income)/cost on pension schemes have been presented within Finance income/cost in the statement of comprehensive income. The service cost, including administration expenses is included within the functional costs in proportion to the headcount. In 2016 current service costs for Quest include an adjustment for past service costs of £4,182,000, and similarly for Givaudan Scheme there is a reduction for past service costs of £1,227,000. Both of these expenses are included within the defined benefit pension credit on the face of the Statement of Comprehensive Income.

Notes to the financial statements (continued)
For the year ended 31 December 2016

23. *Retirement benefit schemes (continued)*

Amounts recognised in the other comprehensive income are as follows:

	Givaudan Scheme		Quest Scheme		Total	Total
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Net remeasurement (gains)/losses due to:						
Experience	(433)	69	1,371	(3,561)	938	(3,492)
Demographic assumption changes	-	(3,541)	-	(9,572)	-	(13,113)
Economic assumption changes	10,157	(2,800)	51,301	(13,307)	61,458	(16,107)
Return on scheme assets excluding interest income	(6,941)	1,621	(28,740)	2,002	(35,681)	3,623
Total loss/(gain) due to remeasurements	2,783	(4,651)	23,932	(24,438)	26,715	(29,089)

The amount included in the statement of financial position arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	Givaudan Scheme		Quest Scheme		Total	Total
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(59,881)	(50,755)	(232,335)	(178,673)	(292,216)	(229,428)
Fair value of scheme assets	68,190	60,290	183,834	147,570	252,024	207,860
Net asset/(liability) recognised	8,309	9,535	(48,501)	(31,103)	(40,192)	(21,568)

Movements in the present value of defined benefit obligations were as follows:

	Givaudan Scheme		Quest Scheme		Total	Total
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January	50,755	56,501	178,673	198,860	229,428	255,361
Service cost	(988)	327	(1,499)	3,313	(2,487)	3,640
Administration expenses	410	380	500	660	910	1,040
Interest cost	1,848	1,894	6,566	6,724	8,414	8,618
Net remeasurement (gains)/ losses due to experience	(433)	69	1,371	(3,561)	938	(3,492)
Net remeasurement (gains)/ losses due to demographic assumption changes	-	(3,541)	-	(9,572)	-	(13,113)
Net remeasurement (gains)/ losses due to assumption changes	10,157	(2,800)	51,301	(13,307)	61,458	(16,107)
Employee contributions	-	-	28	38	28	38
Benefits paid	(1,868)	(2,075)	(4,605)	(4,482)	(6,473)	(6,557)
Balance at 31 December	59,881	50,755	232,335	178,673	292,216	229,428

Notes to the financial statements (continued)
For the year ended 31 December 2016

23. Retirement benefit schemes (continued)

Movements in the fair value of scheme assets were as follows:

	Givaudan Scheme 2016 £'000	Givaudan Scheme 2015 £'000	Quest Scheme 2016 £'000	Quest Scheme 2015 £'000	Total 2016 £'000	Total 2015 £'000
Balance at 1 January	60,290	60,550	147,570	142,080	207,860	202,630
Interest income on plan assets	2,227	2,080	5,550	4,901	7,777	6,981
Return on scheme assets excluding interest income	6,941	(1,621)	28,740	(2,002)	35,681	(3,623)
Contributions from the employer	600	1,356	6,551	7,035	7,151	8,391
Contributions from scheme members		-	28	38	28	38
Benefits paid	(1,868)	(2,075)	(4,605)	(4,482)	(6,473)	(6,557)
Balance at 31 December	68,190	60,290	183,834	147,570	252,024	207,860

The overall expected rate of return on assets is determined based on the market prices prevailing at the balance sheet date, as applicable to the period over which the obligation is to be settled.

The analysis of the scheme assets at the balance sheet date was as follows:

	Givaudan Scheme 2016 %	Givaudan Scheme 2015 %	Quest Scheme 2016 %	Quest Scheme 2015 %
Equity securities	40.84	39.98	61.57	60.25
Debt securities	58.87	59.90	29.37	30.28
Real Estate	-	-	5.92	7.11
Other assets	0.29	0.12	3.14	2.36
	100.00	100.00	100.00	100.00

Notes to the financial statements (continued)
For the year ended 31 December 2016

23. Retirement benefit schemes (continued)

The three year history of experience adjustments is as follows:

	Givaudan Scheme			Quest Scheme		
	2016 £'000	2015 £'000	2014 £'000	2016 £'000	2015 £'000	2014 £'000
Present value of defined benefit liabilities	(59,881)	(50,755)	(56,501)	(232,335)	(178,673)	(198,860)
Fair value of scheme assets	68,190	60,290	60,550	183,834	147,570	142,080
Surplus/(Deficit) in the scheme	8,309	9,535	4,049	(48,501)	(31,103)	(56,780)
Experience adjustments on scheme liabilities						
Amount	(433)	69	770	1,371	(3,561)	217
Percentage of scheme liabilities (%)	0.72	0.14	1.36	0.59	1.99	0.11
Experience adjustments on scheme assets						
Amount	6,941	(1,621)	4,036	28,740	(2,002)	4,721
Percentage of scheme assets (%)	10.18	(2.69)	6.67	15.63	(1.36)	3.32

The estimated amount of contributions expected to be paid to the schemes during the financial year 2017 is £7.4million.

Under the funding schedule agreed with the scheme trustees, the Company continues to fund the pension deficit with the Company monitoring funding levels every three years. The funding schedule will be reviewed between the Company and the trustees every year, based on actuarial valuations. The Company considers that the combined contribution rates agreed with the trustees are sufficient to eliminate the current deficit over the agreed period.

24. Financial instruments

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to its parent Company through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2011.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 18 and 19.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the year end is as follows:

	2016 £'000	2015 £'000
Debt	35,344	35,344
Cash and cash equivalents	(110,030)	(100,290)
Net cash	(74,686)	(64,946)
Equity	103,670	111,735
Net cash to equity ratio	(72.04)%	(58.1)%

Debt is defined as long and short-term borrowings (excluding derivatives) as detailed in note 14.

Equity includes all capital and reserves of the Company that are managed as capital.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Categories of financial instruments

	2016 £'000	2015 £'000
Financial assets:		
Cash and bank	110,030	100,290
Loans and receivables: trade and other receivables	49,205	38,382
Derivative instruments in currency hedge relationships	217	57
Financial liabilities:		
Loans and payables:		
Loans from related parties	35,344	35,344
Trade and other payables	38,496	26,152

At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables designated. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such loans and receivables.

24. Financial instruments (continued)

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Company enters into a derivative financial instrument to manage its exposure to foreign currency risk. This derivative financial instrument provides forward foreign exchange contracts to hedge the exchange rate risk arising.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The following table summarises the sensitivity to transactional currency exposures of the main currencies at 31 December 2016. The sensitivity analysis is disclosed for each currency representing the significant exposure:

	EUR	USD	CHF
Currency risks 2016	**£'000**	**£'000**	**£'000**
Reasonable shift	11%	16%	14%
Impact on profit if currency strengthens against all other currencies	(8,832)	3,025	(1,372)
Impact on profit if currency weakens against all other currencies	1,898	(19,027)	395
Impact on net assets if currency strengthens against all other currencies	(145)	696	(66)
Impact on net assets if currency weakens against all other currencies	117	(954)	50

The sensitivity is based on the exposure at the date of the statement of financial position and based on assumptions deemed reasonable by management, showing the impact on income before tax. The management uses historical volatilities of the significant currencies contributing to the exposure to determine the reasonable change.

Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. These contracts are advised to the Company by Givaudan Finance SA, who manages the forward foreign exchange contracts for all group companies. At the balance sheet date, the net value of the derivative financial instruments measured at fair value was £217k (2015: £57k).

Interest rate risk management

All outstanding loans are with the ultimate parent Company and are at floating rates of interest, which are benchmarked against third party arm's length equivalents. Currently the Company is comfortable with the level of exposure.

Other price risks

The Company is exposed to commodity price risk as a result of its operations. However, given the size of the Company's operations, the cost of managing exposure to commodity price risk exceeds any potential benefits. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Notes to the financial statements (continued)
For the year ended 31 December 2016

24. Financial instruments (continued)

Credit risk management

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all new customers and on a cyclical basis for existing customers. All overdue debts are regularly monitored and appropriate action taken.

Liquidity risk management

The Company works with the Givaudan group treasury department to actively maintain a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient funds available for operations.

Fair value measurements

The following table presents the Company's assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is measured:

Level 1 – inputs to measure fair value are those derived from quoted prices (adjusted) in active markets for identical assets or liabilities;

Level 2 – inputs to measure fair value are those derived from inputs other than those quoted included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs to measure fair value are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2016	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through Statement of comprehensive income				
Forward foreign exchange contracts	-	247	-	247
Total financial instrument assets	-	247	-	247
Financial liabilities at fair value through Statement of comprehensive income				
Forward foreign exchange contracts	-	30	-	30
Total financial instrument liabilities	-	30	-	30
Net financial instruments	**-**	**217**	**-**	**217**

24. Financial instruments (continued)

Fair value measurements (continued)

2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through Statement of comprehensive income				
Forward foreign exchange contracts	-	163	-	163
Total financial instrument assets	-	163	-	163
Financial liabilities at fair value through Statement of comprehensive income				
Forward foreign exchange contracts	-	106	-	106
Total financial instrument liabilities	-	106	-	106
Net financial instruments	-	57	-	57

25. Related party transactions

Transactions between the Company and its associates are disclosed below.

Trading transactions

During the year the Company entered into the following transactions with related parties, being other members of the Givaudan worldwide group:

	Services rendered		Services received	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Givaudan Argentina	-	-	3	-
Givaudan Switzerland	1	1	-	-
Givaudan International	1,268	618	2,131	2,280
Givaudan SA	487	461	-	-
Givaudan China	152	154	-	-
Givaudan Spain	55	89	-	-
Givaudan Fragrances France	463	386	240	211
Givaudan Hungary KFT	-	25		-
Givaudan Japan	-	-	133	94
Givaudan Netherlands	169	120	-	-
Givaudan Sweden	-	-	-	102
Givaudan Singapore	488	591	-	-
Givaudan Fragrances USA	19	17	254	220
	3,102	2,462	2,761	2,907

Notes to the financial statements (continued)
For the year ended 31 December 2016

25. Related party transactions (continued)

	Sales of goods		Purchase of goods	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Givaudan Argentina	104	139	73	126
Givaudan Brazil	197	202	176	166
Givaudan Switzerland	735	574	700	553
Givaudan International	123,689	120,330	109,653	113,253
Givaudan Fragrances China	178	-	140	-
Givaudan Flavours China	-	162	-	131
Givaudan Columbia	-	2	18	7
Givaudan Spain	-	2	-	-
Givaudan Fragrances France	247	261	231	386
Givaudan Hungary KFT	-	1	-	-
Givaudan Indonesia	72	84	60	66
Givaudan India	167	92	144	82
Givaudan Japan	13	1	3	-
Givaudan Mexico	35	55	15	26
Givaudan Netherlands	1	3	1	-
Givaudan Singapore	183	151	144	126
Givaudan Thailand	-	1	-	1
Givaudan Fragrances USA	262	185	234	166
Givaudan Soliance	-	932	-	626
Givaudan South Africa	4	3	2	1
	125,887	123,180	111,594	115,716

	Other operating income		Other operating expense	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Givaudan Finance	-	-	905	-
Givaudan Argentina	-	-	-	1
Givaudan Switzerland	14	-	-	-
Givaudan International	15,446	10,909	316	1,551
Givaudan SA	13,119	12,054	-	-
Givaudan Fragrances France	14	-	127	5
Givaudan Germany	1	-	-	-
Givaudan Spain	3	-	-	-
Givaudan Hungary	1	-	-	-
Givaudan Finance France	1	-	-	-
Givaudan Treasury Int	282	-	-	-
Givauduan Korea	-	-	-	4
Givadaun Netherlands	2	-	-	-
Givadaun UK Holdings	6	3	-	-
	28,889	22,966	1,348	1,561

Notes to the financial statements (continued)
For the year ended 31 December 2016

25. Related party transactions (continued)

The following amounts were outstanding at the balance sheet date:

	Accounts receivables		Accounts payables	
	2016	**2015**	**2016**	**2015**
	£'000	**£'000**	**£'000**	**£'000**
Givaudan Argentina	53	111	3	-
Givaudan Brazil	31	25	5	7
Givaudan Switzerland	74	78	443	108
Givaudan International	25,386	15,503	12,010	7,047
Givaudan SA	1,802	1,321	-	-
Givaudan Finance	-	-	22	-
Givaudan Fragrances China	50	96	5	2
Givaudan Germany	1	42	24	22
Givaudan Spain	-	8	9	-
Givaudan Egypt	11	10	-	-
Givaudan Fragrances France	127	110	102	25
Givaudan Finance	-	-	-	26
Soliance France SA	-	3	-	-
Givaudan 2007 UK	-	-	7,112	7,112
Givaudan UK Holdings	4,441	4,435	-	-
Givaudan Hungary KFT	-	1	12	9
Givaudan Financial Services KFT	1	-	-	-
Givaudan Indonesia	16	27	2	-
Givaudan India	39	29	35	9
Givaudan Japan	-	-	43	27
Givaudan Korea	-	-	-	4
Givaudan Mexico	6	3	19	-
Givaudan Netherlands	17	12	37	17
Givaudan Singapore	132	118	51	44
Givaudan Thailand	-	17	-	-
Givaudan Flavours USA	-	-	225	25
Givaudan Fragrances USA	15	33	81	67
Givaudan South Africa	2	9	-	-
	32,204	21,991	20,240	14,551

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. The related party transactions were made on terms equivalent to those that prevail in arm's length transactions and are made only if such terms can be substantiated.

	Loans outstanding	
	2016	**2015**
	£'000	**£'000**
Givaudan Finance SA	35,344	35,344

Notes to the financial statements (continued)
For the year ended 31 December 2016

26. Ultimate parent undertaking

The Company's controlling party and ultimate parent undertaking is Givaudan SA, a publicly quoted Swiss Company. Copies of the group financial statements of Givaudan SA in which the results of the Company are consolidated can be obtained from the Givaudan website or from Givaudan SA, 5 Chemin de la Perfumerie, 1214 Vernier, Switzerland.

No other consolidated financial statements include the results of the Company.