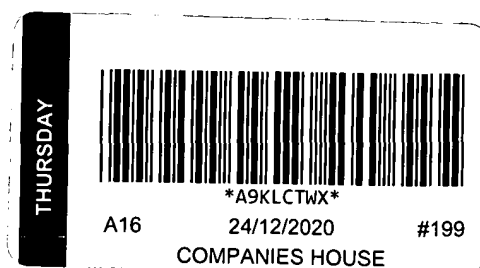


**Company Registration No. 01322325**

**SENSIENT HOLDINGS UK**

**Annual Report and Financial Statements  
Year ended 31 December 2019**



**SENSIENT HOLDINGS UK**  
**Company Registration No. 01322325**  
**Annual Report and Financial Statements 2019**

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**SENSIENT HOLDINGS UK**  
**Company Registration No. 01322325**  
**Annual Report and Financial Statements 2019**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D J Plautz  
L C Watson

**REGISTERED OFFICE**

Bilton Road  
Bletchley  
Milton Keynes  
MK1 1HP

**SOLICITORS**

K&L Gates LLP  
One New Change  
London  
EC4M 9AF

**AUDITORS**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU  
United Kingdom

**SENSIENT HOLDINGS UK**  
**Company Registration No. 01322325**  
**Annual Report and Financial Statements 2019**

**STRATEGIC REPORT**

The directors present their Strategic Report for the year ended 31 December 2019.

**Principal activities and review of the business**

Sensient Holdings UK acts as the holding company for the European operation of the flavours and colours activities of the Sensient Technologies Corporation group, of Milwaukee, Wisconsin, USA.

The company's key financial and other performance indicators during the year are as follows:

|   | 2019  | 2018  | Change |
|---|-------|-------|--------|
|   | £'000 | £'000 |        |
| Interest payable net of interest receivable | (184) | (201) | 8%     |
| (Loss)/Profit after tax                     | 934   | (11)  | 8591%  |
| Current assets as % of current liabilities  | 384%  | 386%  | 0%     |

Interest payable net of interest receivable decreased by 8% as a result of an increase in interest income on intercompany deposits, where there was a higher average deposit balance held throughout 2019.

In 2019 profit after tax increased due to an overall gain in foreign currency and a decrease in corporation tax charge. In 2018 there was an increased corporation tax charge with a tax adjustment in respect of a previous period.

The group's "quick ratio" (current assets as a percentage of current liabilities) has had no material movement during the year.

**Principal risks and uncertainties**

The principal risk and uncertainty facing the company is liquidity risk.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term intercompany debt finance.

**Section 172 (1) Statement**

The revised UK Corporate Governance Code was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019.

The Companies (Miscellaneous Reporting) Regulations 2018 required Directors to explain how they considered the interest of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172.

This S172 statement, which is reported for the first time, explains how the Directors:

- a) have engaged with employees, suppliers, customers and others; and
- b) have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

## **STRATEGIC REPORT (CONTINUED)**

### **General confirmation of Directors' duties**

The Board has a clear framework for determining the matters within its remit and certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. The Delegation of Authority sets out the delegation and approval process across the broader business.

When making decisions, each Director ensures that the/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

#### **S172(1) (A) 'The likely consequences of any decision in the long term'**

The company is part of the Sensient Technologies Corporation group, which is a global group of companies listed on the New York Stock Exchange and all of its shares are held internally within the group. The Sensient Technologies Corporation group and all of its subsidiaries embrace the long-term sustainability of shareholder return into its core values. The business and its directors embody the core values of building the best team, continuously improving and driving innovation and this is included in each decision made in the short or long term.

#### **S172(1) (C) 'The need to foster the company's business relationships with suppliers, customers, and others'**

Delivering the Company's strategy requires strong mutually beneficial relationships with suppliers, customers, and governments. The Company seeks the promotion and application of sound corporate governance principles in such relationships, and that governs the Company's approach to investment opportunities and reorganisations of its investment portfolio. The Company continuously assesses the priorities related to those with whom it does business, and the Board is involved in this process through business strategy updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided from the Finance and/or Legal Department (e.g. internal reorganisation proposals) to information provided by the Financial Planning and Analysis Department (related to business strategies and investment or divestment proposals).

#### **S172(1) (D) 'The impact of the company's operations on the community and the environment'**

The Board receives information on these topics to both provide relevant information for specific Board decisions (e.g., those related to specific strategic initiatives such as investment or divestment proposals, business strategy reviews, etc.) and to provide ongoing overviews (e.g., regular reports from Internal Audit).

#### **S172(1) (E) 'The desirability of the company maintaining a reputation for high standards of business conduct'**

The Company abides by its Code of Conduct, which contains our Standards of Conduct, Ethics, and Compliance programs. This ensures high standards of business conduct are maintained both within the Company and its business relationships.

**STRATEGIC REPORT (CONTINUED)**

**S172(1) (F) 'The need to act fairly as between members of the company'**

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Company's strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

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



L C Watson

Director

Date: Dec. 20, 2020

## **DIRECTORS REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

### **Results and dividends**

The loss before tax for the year of £94,762 (2018 loss: £649,100) is dealt with in the profit and loss account. The company declared and paid dividend for the year of £Nil (2018: £Nil).

### **Directors**

The directors who served during the year and to the date of this report were as follows:

L C Watson

B M Conners (resigned 9 March 2020)

D J Plautz (appointed 9 March 2020)

### **Directors' qualifying third party provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### **Disclosure of information to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Future developments**

The company expects to continue to operate as a holding company with financing costs at similar market rates.

### **Going concern – Effects of COVID-19**

Whilst Sensient Holdings UK is not directly exposed to the food and beverage sector the business is indirectly exposed to this market sector as the investments it holds are with group businesses that operate in the sector. Whilst Covid 19 has changed the way we consume food and beverages, it has not significantly changed overall consumption. Covid 19 has had minimum impact on the company given it has no employees or trading operations.

The directors have received confirmation that Sensient Technologies Corporation (the company's ultimate parent undertaking) will provide continuing financial support for a period of not less than 12 months from the date of the statutory audit report of the company for the year ended 31 December 2019. On this basis, the directors have a reasonable expectation that the company has adequate resources to continue as a going concern for the foreseeable future. Accordingly, the Directors have prepared the financial statements on a going concern basis.

**DIRECTORS REPORT (CONTINUED)**

**Reappointment of auditor**

The auditor, Ernst & Young LLP, is deemed to be reappointed in accordance with section 485 of the Companies Act 2006 by virtue of an elective resolution passed by members.

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

A handwritten signature in black ink, appearing to read 'L C Watson', is written over a horizontal line.

L C Watson

Director

Date: Dec. 20, 2020



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 responsible for keeping proper 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. 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 SENSIENT HOLDINGS UK**

### **Opinion**

We have audited the financial statements of Sensient Holdings UK for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions Relating to Going Concern**

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

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

### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSIENT HOLDINGS UK (CONTINUED)**

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSIENT HOLDINGS UK (CONTINUED)**

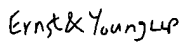
### **Auditor's responsibilities for the audit of the financial statements**

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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

DocuSigned by:  
  
C84CFE54E3E34A4

**Farzin Radfar (Senior Statutory Auditor)**

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date: December 23, 2020

**SENSIENT HOLDINGS UK**  
**Company Registration No. 01322325**  
**Annual Report and Financial Statements 2019**

**STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 31 December 2019**

|  | <b>Note</b> | <b>2019</b>     | <b>2018</b>      |
|--|-------------|-----------------|------------------|
|  |             | <b>£</b>        | <b>£</b>         |
| Administrative Income/(Expenses)                     |             | 89,343          | (448,425)        |
| <b>OPERATING PROFIT/(LOSS)</b>                       | <b>2</b>    | <b>89,343</b>   | <b>(448,425)</b> |
| Income from fixed asset investments                  | 7           | -               | -                |
| Interest payable and similar charges                 | 4           | (307,164)       | (282,611)        |
| Interest receivable and similar income               | 5           | 123,060         | 81,936           |
| <b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |             | <b>(94,761)</b> | <b>(649,100)</b> |
| Tax on (loss) on ordinary activities                 | 6           | 1,029,042       | 637,771          |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>          |             | <b>934,281</b>  | <b>(11,329)</b>  |
| <b>OTHER COMPREHENSIVE INCOME</b>                    |             |                 |                  |
| Other comprehensive income for the year              |             | -               | -                |
| <b>TOTAL COMPREHENSIVE INCOME</b>                    |             | <b>934,281</b>  | <b>(11,329)</b>  |

All results derive from continuing operations.

**SENSIENT HOLDINGS UK**  
**Company Registration No. 01322325**  
**Annual Report and Financial Statements 2019**

**BALANCE SHEET**

**As at 31 December 2019**

|  | Note | 2019<br>£   | 2018<br>£   |
|--|------|-------------|-------------|
| <b>FIXED ASSETS</b>  |      |             |             |
| - Investments  | 7    | 25,817,631  | 25,817,631  |
| <b>CURRENT ASSETS</b>  |      |             |             |
| - Debtors  | 8    | 18,641,978  | 18,043,387  |
| <b>CREDITORS: amounts falling due within one year</b>          | 9    | (4,679,444) | (4,678,606) |
| <b>NET CURRENT ASSETS</b>                                      |      | 13,962,534  | 13,364,781  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 39,780,165  | 39,182,412  |
| <b>CREDITORS: amounts falling due after more than one year</b> | 10   | (8,518,240) | (8,854,768) |
| <b>NET ASSETS</b>  |      | 31,261,925  | 30,327,644  |
| <b>CAPITAL AND RESERVES</b>                                    |      |             |             |
| Called up share capital  | 11   | 10,000,000  | 10,000,000  |
| Capital contribution   | 12   | 10,000,000  | 10,000,000  |
| Share premium account  | 12   | 4,787,374   | 4,787,374   |
| Profit and loss account  | 12   | 6,474,551   | 5,540,270   |
| <b>SHAREHOLDERS' FUNDS</b>                                     |      | 31,261,925  | 30,327,644  |

These financial statements were approved by the Board of Directors on 20 December 2020 and signed on its behalf by:

  
 L C Watson

Director

**SENSIENT HOLDINGS UK**  
**Company Registration No. 01322325**  
**Annual Report and Financial Statements 2019**

**STATEMENT OF CHANGES IN EQUITY**  
**Year ended 31 December 2019**

|                                   | <b>Called-up Share<br/>Capital<br/>(Note 11)</b> | <b>Capital<br/>Contribution</b> | <b>Share<br/>Premium<br/>Account</b> | <b>Profit and Loss<br/>Account</b> | <b>Total</b>      |
|-----------------------------------|--|---------------------------------|--------------------------------------|------------------------------------|-------------------|
|                                   | £  | £                               | £                                    | £                                  | £                 |
| <b>At 31 December 2017</b>        | <b>10,000,000</b>                                | <b>-</b>                        | <b>4,787,374</b>                     | <b>15,551,599</b>                  | <b>30,338,973</b> |
| Capital Contribution              | -  | 10,000,000                      | -                                    | -                                  | 10,000,000        |
| Loss for the financial year       | -  | -                               | -                                    | (11,329)                           | (11,329)          |
| Dividends paid                    | -  | -                               | -                                    | (10,000,000)                       | (10,000,000)      |
| <b>Total comprehensive income</b> |  | <b>10,000,000</b>               | <b>-</b>                             | <b>(10,011,329)</b>                | <b>(11,329)</b>   |
| <b>At 31 December 2018</b>        | <b>10,000,000</b>                                | <b>10,000,000</b>               | <b>4,787,374</b>                     | <b>5,540,270</b>                   | <b>30,327,644</b> |
| Capital Contribution              | -  | -                               | -                                    | -                                  | -                 |
| Profit for the financial year     | -  | -                               | -                                    | 934,281                            | 934,281           |
| <b>Total comprehensive income</b> | <b>-</b>   | <b>-</b>                        | <b>-</b>                             | <b>934,281</b>                     | <b>934,281</b>    |
| <b>At 31 December 2019</b>        | <b>10,000,000</b>                                | <b>10,000,000</b>               | <b>4,787,374</b>                     | <b>6,474,551</b>                   | <b>31,261,925</b> |

In November 2018 the company received a capital contribution from Sensient Holding I BV in the amount of £10,000,000 (US Dollars 12,976,748).

Profit and Loss account reserve represents accumulated retained earnings.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2019**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**General information and basis of accounting**

Sensient Holdings UK is a private company limited by shares incorporated and domiciled in England. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Sensient Holdings UK is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Sensient Holdings UK meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Sensient Holdings UK is consolidated in the financial statements of its ultimate parent, Sensient Technologies Corporation, which are publicly available.

Exemptions from disclosure have been taken in relation to:

- the preparation of a statement of cash flows;
- financial instruments;
- share-based payments;
- intra-group transactions; and
- remuneration of key management personnel.

**Basis of preparation**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

The financial statements are prepared under the historical cost convention.

**Going Concern – Effects of COVID-19**

Whilst Sensient Holdings UK is not directly exposed to the food and beverage sector the business is indirectly exposed to this market sector as the investments it holds are with group businesses that operate in the sector.

Whilst Covid 19 has changed the way we consume food and beverages, it has not significantly changed overall consumption. Covid 19 has had minimum impact on the company given it has no employees or trading operations.

The directors have received confirmation that Sensient Technologies Corporation (the company's ultimate parent undertaking) will provide continuing financial support for a period of not less than 12 months from the date of the statutory audit report of the company for the year ended 31 December 2019. On this basis, the directors have a reasonable expectation that the company has adequate resources to continue as a going concern for the foreseeable future. Accordingly, the Directors have prepared the financial statements on a going concern basis.



**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**1. ACCOUNTING POLICIES (continued)**

**Group accounts**

The company is a subsidiary of Sensient Technologies Corporation, a company incorporated in the United States of America. The company has therefore taken advantage of section 400 of the Companies Act 2006 not to prepare group financial statements. The financial statements therefore present information about the company only.

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate ruling at that date. These transactions are dealt with in the profit and loss account.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, 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.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**2. OPERATING (LOSS)/PROFIT**

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Operating (Loss)/Profit is stated after (charging)/crediting:</b> |             |             |
| Professional expenses  | -           | -           |
| Foreign exchange (loss)/gain   | 89,343      | (448,425)   |
|  | <hr/>       | <hr/>       |

The auditor's remuneration for the audit of the financial statements has been borne by a fellow group company in both the current and the preceding year.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company had no employees in either the current or the prior year and hence no staff costs.

The directors received no remuneration for their qualifying services to the company in the year and in the preceding financial year.

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>No.</b>  | <b>No.</b>  |
| Number of directors accruing benefits under a money purchase scheme* | 2           | 2           |
|  | <hr/>       | <hr/>       |

\* Costs associated with these schemes are borne by other group undertakings.

A subsidiary undertaking, Sensient Colors UK Ltd, was charged a management fee of £266,930 (2018: £262,518) in respect of UK administration costs by Sensient Technologies Corporation, the company's ultimate parent company, which includes directors' remuneration for 2 (2018: 2) of the company's directors which it is not possible to identify separately.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Interest payable to other group undertakings | 307,164     | 282,611     |

The loan from group undertakings has a fixed interest rate of 3.471%. The fixed rate shall be reset upon maturity if extended. Interest is payable on each anniversary date of the loan agreement and upon final payment of the principle balance, or as otherwise agreed between borrower and lender.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

|   | <b>2019</b>    | <b>2018</b>   |
|---|----------------|---------------|
|   | <b>£</b>       | <b>£</b>      |
| Interest receivable from other group undertakings | 31,418         | 31,747        |
| Bank interest receivable                          | 91,642         | 50,189        |
|   | <b>123,060</b> | <b>81,936</b> |

The loan from group undertakings has a fixed interest rate of 0.774%. The fixed rate shall be reset upon maturity if extended. Interest is payable on each anniversary date of the loan agreement and upon final payment of the principle balance, or as otherwise agreed between borrower and lender.

**6. TAX ON (LOSS) ON ORDINARY ACTIVITIES**

**a) Tax on (loss) on ordinary activities**

The tax charge is made up as follows:

|   | <b>2019</b>      | <b>2018</b>    |
|---|------------------|----------------|
|   | <b>£</b>         | <b>£</b>       |
| Adjustment in respect of previous periods | 655,621          | 637,771        |
| United Kingdom Corporation tax            | 373,421          | -              |
| Tax on (loss) on ordinary activities      | <b>1,029,042</b> | <b>637,771</b> |

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**6. TAX ON (LOSS) ON ORDINARY ACTIVITIES (continued)**

*b) The charge for the year can be reconciled to the loss per the profit and loss account as follows:*

|  | 2019               | 2018             |
|--|--------------------|------------------|
|  | £                  | £                |
| (Loss) on ordinary activities before tax | (94,761)           | (649,100)        |
| Tax at 19% (2018: 19.25%) thereon:       | (18,005)           | (123,329)        |
| Effects of:                              |                    |                  |
| Effects of Group relief/other reliefs    | (355,416)          | 123,329          |
| Adjustment from previous period          | (655,621)          | (637,771)        |
| <b>Total tax for the year</b>            | <b>(1,029,042)</b> | <b>(637,771)</b> |

*c) Deferred tax*

A deferred tax asset of £1,717,607 (17% of £10,103,572) has not been recognised in Sensient Holdings UK Ltd on capital losses carried forward due to uncertainty on any future chargeable gains.

*d) Factors that may affect the future tax charge*

The reduction in the UK corporation tax rate to 19% (effective 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and a further reduction to 17% was substantively enacted on 6 September 2016. The current tax rate used in the year ended 31 December 2019 is therefore 19% and the rate used for closing deferred tax balances is 17.00%.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**7. INVESTMENTS HELD AS FIXED ASSETS**

|   | <b>Shares in subsidiaries</b> |
|---|-------------------------------|
|   | <b>£</b>                      |
| <b>Costs</b>  |                               |
| At 1 January 2019                                   | 48,377,440                    |
| At 31 December 2019                                 | <u>48,377,440</u>             |
| <br><b>Provisions for impairment in investments</b> |                               |
| At 1 January 2019                                   | 22,559,809                    |
| At 31 December 2019                                 | <u>22,559,809</u>             |
| <br><b>Net book value</b>                           |                               |
| At 31 December 2019                                 | <u>25,817,631</u>             |
| At 31 December 2018                                 | <u>25,817,631</u>             |

**Interests in subsidiaries**

The company owns directly (+) or indirectly 100% of the shares in the subsidiaries listed below:

All pointing sub-group companies are included below.

**SENSIENT HOLDINGS UK**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**7. INVESTMENTS HELD AS FIXED ASSETS (continued)**

**Interests in subsidiaries (continued)**

| <b>Company</b>   | <b>Main activities</b>  | <b>Incorporated in</b> |
|--|---|------------------------|
| <b>Sensient Flavors Limited</b><br><br>Bilton Road, Bletchley, Milton Keynes,<br>Buckinghamshire, MK1 1HP                  | + Manufacture and sale of flavouring<br>ingredients for the food industry | Great Britain          |
| <b>Sensient Colors U.K. Limited</b><br><br>Oldmedow Road, Hardwick Industrial Estate,<br>Kings Lynn, Norfolk, PE30 4LA     | + Manufacture and sale of colours   | Great Britain          |
| <b>Sensient Technologies Limited</b><br><br>7 Pilgrim Street, London, EC4V 6LB   | + Holds loan notes  | Great Britain          |
| <b>Sensient Flavors Belgium N.V.</b><br><br>Interleuvenlaan 37<br>B-3001 Heverlee  | + Manufacture and sale of flavouring<br>ingredients for the food industry | Belgium                |
| <b>* Pointing Holdings Limited</b><br><br>Oldmedow Road, Hardwick Industrial Estate,<br>Kings Lynn, Norfolk, PE30 4LA      | Holding company   | Great Britain          |
| <b>* Pointing Limited</b><br><br>Oldmedow Road, Hardwick Industrial Estate,<br>Kings Lynn, Norfolk, PE30 4LA               | No longer trading   | Great Britain          |
| <b>* Pointing International Limited</b><br><br>Oldmedow Road, Hardwick Industrial Estate,<br>Kings Lynn, Norfolk, PE30 4LA | Intermediate holding company  | Great Britain          |
| <b>* Pointing Colors Inc</b><br><br>2515 N. Jefferson Ave.<br>St. Louis, MO 63106-1939                                     | Intermediate holding company  | USA                    |
| <b>* Sensient Technologies South Africa Pty Ltd</b><br><br>11 Mastiff Road, Linbro Business Park, Longlake, 1608           | Manufacture and sale of colours   | South Africa           |
| <b>* Sensient Food Colors L.P.</b><br><br>2515 N. Jefferson Ave. St. Louis, MO 63106-1939                                  | No longer trading   | USA                    |

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**8. DEBTORS**

|                                    | 2019              | 2018              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Loan notes owed by group companies |                   |                   |
| - Subsidiary undertakings          | 3,924,020         | 4,171,188         |
| Amounts owed by group companies    |                   |                   |
| - Subsidiary undertakings          | 2,377,354         | 2,509,503         |
| - Fellow group undertakings        | 11,222,960        | 11,217,200        |
| Corporation Tax receivable         | 1,117,644         | 145,496           |
|                                    | <u>18,641,978</u> | <u>18,043,387</u> |

Loans Notes owed by group companies is comprised of an unsecured loan note of EUR 4,639,323 repayable on demand and includes interest charged at a fixed rate of 0.774%.

Amounts owed by group companies includes £11,222,955 (2018: £11,217,195) on an intercompany deposit held under the cash arrangements within the group. The remainder of the amounts that are due from subsidiary companies are payable on demand.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2019             | 2018             |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Amounts owed to group companies |                  |                  |
| - Subsidiary undertakings       | 4,679,444        | 4,678,606        |
|                                 | <u>4,679,444</u> | <u>4,678,606</u> |

Amounts owed to group companies represents a liability due to a subsidiary company, which is interest free and repayable on demand.

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                              | 2019             | 2018             |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Loans – from group companies |                  |                  |
| - Fellow group undertakings  | 8,518,240        | 8,854,768        |
|                              | <u>8,518,240</u> | <u>8,854,768</u> |

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

An unsecured loan of USD 11,292,907 is extended indefinitely in 2-yearly intervals unless notified by the lender upon 30 days' notice prior to any future extension or maturity date; interest was charged at a fixed rate of 3.471%.

Repayable as follows:

|   | 2019      | 2018      |
|---|-----------|-----------|
|   | £         | £         |
| Between one and two years (extended indefinitely) | 8,518,240 | 8,854,768 |

**11. ALLOTTED AND ISSUED SHARE CAPITAL**

|   | 2019       | 2018       |
|---|------------|------------|
|   | £          | £          |
| Called up, allotted and fully paid                      |            |            |
| 10,000,000 (201: 10,000,000) ordinary shares of £1 each | 10,000,000 | 10,000,000 |

**12. RESERVES**

**Capital Contribution**

This reserve records the amount received from Sensient Holding I BV.

**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Profit and loss account**

This reserve comprises accumulated profits and losses less dividend paid/payable.

**13. ULTIMATE PARENT COMPANY**

The ultimate parent company and controlling entity is Sensient Technologies Corporation. The immediate parent company is Sensient Technologies Holding Company LLC. Both companies are incorporated in the United States of America. The financial statements of the ultimate parent company, which is the largest and smallest group that prepares consolidated accounts, are filed at the Securities and Exchange Commission, Washington DC.



**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 31 December 2019**

**14. POST BALANCE SHEET EVENTS**

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post-balance sheet event and the impact of COVID-19 will be reported in the 2020 financial statements. Further details of the impact of COVID-19 on the Company and on the directors' assessment of going concern are included in note 1 of these Financial Statements.