

**Company Registration No. 1514781**

**SENSIENT FLAVORS LIMITED**

**Report and Financial Statements**

**31 December 2014**

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**REPORT AND FINANCIAL STATEMENTS 2014**

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**SENSIENT FLAVORS LIMITED**  
Company Registration No. 1514781

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

M. De Meyer  
J. T. Makal

### **SECRETARY**

Faegre Baker Daniels LLP  
7 Pilgrim Street  
London  
EC4V 6LB

### **REGISTERED OFFICE**

Bilton Road  
Bletchley  
Milton Keynes  
Buckinghamshire  
MK1 1HP

### **BANKERS**

HSBC  
Level 6, Metropolitan House  
CBX 3 321 Avebury Boulevard  
Milton Keynes  
MK9 2GA

### **SOLICITORS**

Kirkpatrick & Lockhart Preston Gates Ellis LLP  
110 Cannon Street  
London  
EC4N 6AR

### **AUDITORS**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

**SENSIENT FLAVORS LIMITED**

Company Registration No. 1514781

**STRATEGIC REPORT**

The directors present their strategic report for the year ended 31 December 2014

**Principal Activities**

The principal activity of the company during the year continued to be the manufacture and sale of flavouring ingredients for the food industry in the United Kingdom, Europe and other overseas markets.

The company's key performance indicators during the year were as follows:

	2014	2013	Change
	£'000	£'000	%
Turnover	35,832	34,083	5%
Depreciation and amortisation	991	911	9%
Operating profit	2,103	1,484	42%
Profit after tax	980	1,083	(10%)
Current assets as % of current liabilities	142%	178%	(36%)
Average no of employees	201	181	11%

Turnover has increased during the year due to new UK based customers. These customers remain through 2015. We have also experienced an increase in export sales outside of Europe.

Operating profit has increased due to the increase in turnover as well as decreased cost of goods sold and despite increased operating expenses. Operating costs include depreciation charges of £991,222.

Profit after tax has decreased due to a prior year tax adjustment.

The "quick ratio" (current assets as a percentage of current liabilities) has reduced during the year due to the increase in liabilities due to group companies.

The directors consider that Sensient Flavors has an excellent future which has continued in 2015 to consolidate its position as one of the United Kingdom's leading ingredient manufacturers.

**Future developments**

The directors aim to maintain the policies of the company.

**Principal Risks and Uncertainties**

The directors continually review and evaluate the risks that the company is facing. The principal risks and uncertainties facing the company are broadly grouped as – competitive, legislative and financial instrument risk.

**Competitive risks**

The flavour industry throughout Europe has faced very strong competition in recent years. The company puts strong emphasis on its excellent service levels, quality of its product and competitive pricing to its customer base to maintain its position within the market.

**Legislative risks**

Legislative risk within the UK food and flavour industry is controlled by the Food Standards Agency. Other industry specific recognised bodies provide good practice / standards to follow.

## **STRATEGIC REPORT (Continued)**

### **Financial risk management objectives and policies**

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

- **Cash flow risk**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts to hedge significant exposures.

- **Credit risk**

The company's principal financial assets are bank and cash balances and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the related cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

- **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.

- **Price risk**

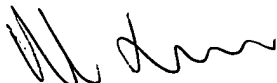
The company is exposed to commodity price risk. The company generally purchases these commodities based upon market prices that are established with the vendor as part of the purchase process. The company does not use commodity financial instruments to hedge commodity prices due to cost benefit considerations.

### **Research and development**

The group carries out product research and development to enhance its current portfolio of products. Research and development expenditure charged to operating profit in the current year is £1,243,679 (2013: £832,794). The company is further expanding R&D operations in the UK into 2015.

By order of the Board

M. DeMeyer  
Director



Date: 21/9/15

**SENSIENT FLAVORS LIMITED**

Company Registration No. 1514781

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for Sensient Flavors Limited for the year ended 31 December 2014.

**DIVIDENDS**

No dividends were received in 2014 (2013: £13.7m). Dividends have been declared and paid of £770k by the company during the year (2013: Nil)

**DIRECTORS**

The current membership of the board is set out on page 1. Paul Heesterman resigned as director on 14<sup>th</sup> March 2014 and was replaced by Steffen Sonnenberg, who was appointed as a director on 14<sup>th</sup> March 2014. Steffen Sonnenberg resigned as director on 30<sup>th</sup> December 2014 and was replaced by Michael DeMeyer, who was appointed as a director on 16<sup>th</sup> January 2015. The directors who served during the year were:

Paul Heesterman – Resigned 14<sup>th</sup> March 2014

S Sonnenberg - Resigned 30<sup>th</sup> December 2014

J. T. Makal

**Post Balance Sheet Events**

There have been no material post balance sheet events, which would require disclosure or adjustment to the 31 December 2014 Financial Statements.

**Auditors**

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 on 29 November 2006.

**Disclosure of Information for the auditors**

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.

Approved by the Board of Directors,  
And signed on behalf of the Board.

J. T. Makal  
Director

Date: 21

September 2015

M.De Meyer  
Director

Date: 21

September 2015

## **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 that 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. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss of the company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 safe guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SENSIENT FLAVORS LIMITED**

We have audited the financial statements of Sensient Flavors Ltd for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements 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 the 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 also 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 Strategic Report and the Directors' 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 the 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 2014 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.



**SENSIENT FLAVORS LIMITED**  
Company Registration No. 1514781

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SENSIENT FLAVORS 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 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.

*Ernst & Young LLP*

Ken Griffin (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory auditor  
Bristol  
Date:

*30 September 2015*

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2014**

	<i>Note</i>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
<b>TURNOVER: continuing operations</b>	2	35,832,357	34,082,968
Cost of sales		(28,303,117)	(28,104,745)
Gross profit		7,529,240	5,978,223
Operating expenses	3	(6,202,622)	(4,820,227)
Other operating income		776,541	325,707
<b>OPERATING PROFIT: continuing operations</b>		<b>2,103,159</b>	<b>1,483,703</b>
Profit on disposal of fixed asset		-	178,492
Income from shares in group undertakings		-	13,660,489
Write off on disposal of investment		-	(13,650,000)
Interest payable and similar charges	5	(242,625)	(221,168)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<b>1,860,534</b>	<b>1,451,516</b>
Tax on profit on ordinary activities	7	(880,288)	(368,114)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15	<b>980,246</b>	<b>1,083,402</b>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 December 2014**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Profit for the financial year	<b>980,246</b>	<b>1,083,402</b>

**BALANCE SHEET**  
**As at 31 December 2014**

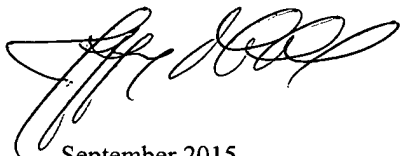
	<i>Note</i>	<b>2014</b> £	<b>2013</b> £
<b>FIXED ASSETS</b>			
Tangible assets	8	15,683,032	12,668,112
		<u>15,683,032</u>	<u>12,668,112</u>
<b>CURRENT ASSETS</b>			
Stocks	9	11,462,830	9,901,374
Debtors	10	8,661,506	7,908,485
Cash at bank and in hand		113,108	100,189
		<u>20,237,444</u>	<u>17,910,048</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(14,721,908)	(10,065,066)
		<u>5,515,536</u>	<u>7,844,982</u>
<b>NET CURRENT ASSETS</b>			
		<u>21,198,568</u>	<u>20,513,094</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS: amounts falling due after more than one year</b>	12	(13,650,000)	(13,650,000)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	(475,478)	-
		<u>7,073,090</u>	<u>6,863,094</u>
<b>NET ASSETS</b>			
		<u>7,073,090</u>	<u>6,863,094</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	609,000	609,000
Share premium account	15	147,000	147,000
Profit and loss account	15	6,317,090	6,107,094
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	<u>7,073,090</u>	<u>6,863,094</u>

The Board of Directors approved these financial statements on **21** September 2015.

Signed on behalf of the Board of Directors

**J.T. Makal**  
Director

Date: **21** September 2015



**M. DeMeyer**  
Director

Date: **21** September 2015



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2014**

**1. ACCOUNTING POLICIES**

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

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Basis of preparation**

The company is supported by its parent company, Sensient Technologies Corporation. The company has received a parental support letter from its parent company which enables the financial statements to be prepared on a going concern basis.

**Tangible fixed assets**

Tangible fixed assets are stated at their purchase price, together with any incidental expenses.

Provision for depreciation is made so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2½ %
Plant and machinery	5 - 15 %
Computer equipment	20 %

Depreciation is not provided on freehold land.

Assets in the course of construction are capitalised at cost. No depreciation is charged until the assets are brought into service.

**Intangible assets**

Customer lists and know how are included at cost and depreciated in equal annual instalments over the period of twenty years which is their estimated economic useful life. Provision is made for any impairment.

**Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs; in the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

**Taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Operating leases**

Costs in respect of operating leases are charged in arriving at operating profit on a straight-line basis over the lease term.

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2014**

**1. ACCOUNTING POLICIES (continued)**

**Related parties**

The company has taken advantage of the exemption available in FRS 8 relating to the disclosure of transactions with other group companies.

**Cash flow statement**

The company is exempt from preparing a cash flow statement as a group cash flow statement is prepared by its parent company, Sensient Technologies Corporation.

**Pension scheme arrangements**

The company operates a defined contribution pension scheme and the payments made to the scheme are charged to the profit and loss account as they are incurred. The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund.

**Turnover**

Turnover excludes value added tax and trade discounts and represents the invoiced value of goods and services supplied through the principal activity of the company, which is the manufacture and sale of flavouring ingredients for the food industry.

**Research and development**

Research and development expenditure is charged to the profit and loss account as incurred.

**Government grants**

Government grants are credited to a deferred income account; the capital element is released to the profit and loss account in equal instalments over the period of the expected useful lives of the assets concerned. The labour element is released to the profit and loss account to match the cost of job creation.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial period. All differences are dealt with through the profit and loss account.

**Capitalisation of interest**

Interest on loans acquired to purchase fixed assets is capitalised into the cost of the asset up to the date when the asset is completed. Upon completion of the asset, interest on the loan is written off to the profit and loss account. Capitalised interest is amortised over the useful economic life of the assets for which the loan was received.

## SENSIENT FLAVORS LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2014

#### 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's principal activities excluding Value Added Tax and trade discounts.

Turnover is attributable to each of the company's geographical markets as follows:

	2014	2013
	£	£
<b>Geographical analysis of turnover by destination</b>		
United Kingdom	17,601,289	16,478,548
Other European countries	8,288,467	7,272,796
Rest of the world	9,942,601	10,331,624
	<u>35,832,357</u>	<u>34,082,968</u>

#### 3. OPERATING EXPENSES

	2014	2013
	£	£
Selling costs	1,357,564	1,292,526
Administrative expenses	4,845,058	3,527,701
	<u>6,202,622</u>	<u>4,820,227</u>

**SENSIENT FLAVORS LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2014**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2014	2013
	£	£
<b>Directors' emoluments</b>		
Emoluments	145,412	192,360
Pension contributions	7,856	14,626
	<u>153,268</u>	<u>206,986</u>
	No.	No.
Number of directors who are members of the company's defined contribution pension scheme	<u>1</u>	<u>1</u>
	No.	No.
<b>Average number of persons employed (including executive directors)</b>		
Production	121	115
Administration	80	66
	<u>201</u>	<u>181</u>
	£	£
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	5,397,814	4,843,949
Social security costs	1,291,233	1,199,815
Pension contributions	389,720	368,376
	<u>7,078,767</u>	<u>6,412,140</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Intercompany interest	<u>242,625</u>	<u>221,168</u>

The interest rate is based on LIBOR + 1% on a quarterly basis, using the daily sterling interbank lending rate, 3month, mean LIBOR.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2014**

**6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2014	2013
	£	£
<b>Profit on ordinary activities before taxation is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets (note 8)	991,222	910,592
Auditors' remuneration		
- Audit	45,700	42,400
Operating lease hire – plant and machinery	235,702	230,975
Foreign exchange (gains) / losses	<u>(15,033)</u>	<u>2,644</u>

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

*i) Tax charge for the year*

	2014	2013
	£	£
Current Tax		
UK corporation tax on profits of the period	399,210	312,202
Adjustment in respect of previous periods	<u>(37,888)</u>	<u>13,206</u>
	361,322	325,408
Deferred taxation		
Origination and reversal of timing differences	151,737	33,834
Adjustment in respect of previous periods	377,771	2,708
Effect of changes in tax rates	<u>(10,542)</u>	<u>6,164</u>
Total deferred tax	518,966	42,706
Tax on profit on ordinary activities	<u>880,288</u>	<u>368,114</u>

*ii) Factors affecting the current tax charge for the period*

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>1,860,534</u>	<u>1,451,516</u>
United Kingdom corporation tax at 21.5% (2013 23.5%)	400,783	341,106
Expenses not deductible for tax purposes	150,173	24,448
R&D tax deduction		(61,362)
Capital allowances in excess of depreciation	(145,373)	(2,590)
Movement on short term timing difference	(6,373)	10,600
Adjustment in respect of prior years	<u>(37,888)</u>	<u>13,206</u>
	361,322	325,408



## NOTES TO THE ACCOUNTS

### Year ended 31 December 2014

#### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

##### iii) Factors affecting future tax charges

In the 2013 Budget, issued on 20 March 2013, the Chancellor announced that the main rate of corporation tax would be reduced to 20% from 1 April 2015. This change was substantially enacted on 2 July 2013 and has been reflected in the current tax and deferred tax workings.

#### 8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Computer equipment £	Assets in course of construction £	Total £
<b>Cost</b>					
At 1 January 2014	6,182,324	19,426,555	1,580,501	2,125,463	29,314,842
Additions	-	-	-	4,006,142	4,006,142
Transfer	-	1,291,047	-	(1,291,047)	-
At 31 December 2014	<u>6,182,324</u>	<u>20,717,602</u>	<u>1,580,501</u>	<u>4,840,558</u>	<u>33,320,984</u>
<b>Depreciation</b>					
At 1 January 2014	1,356,962	14,000,527	1,289,242	-	16,646,731
Charge for the year	249,200	726,422	15,600	-	991,222
At 31 December 2014	<u>1,606,162</u>	<u>14,726,949</u>	<u>1,304,842</u>	<u>-</u>	<u>17,637,953</u>
<b>Net book value</b>					
At 31 December 2014	4,576,162	5,990,653	275,659	4,840,558	15,683,032
At 31 December 2013	4,825,362	5,426,028	291,259	2,125,463	12,668,112

Included in the cost of £33,320,984 (2013 - £29,314,843) is capitalised interest of £183,664 (2013 - £183,664) on loans from group companies for the acquisition of assets. Interest was charged at a rate of 1% above the Canadian prime rate at the time.

Included within land and buildings is land of £1,683,606 (2013 - £1,683,606) which is not depreciated.

#### 9. STOCKS

	2014	2013
	£	£
Raw materials and consumables	5,819,072	4,155,151
Finished goods and goods for resale	<u>5,643,758</u>	<u>5,746,223</u>
	<u>11,462,830</u>	<u>9,901,374</u>

**SENSIENT FLAVORS LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2014**

**10. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,548,084	4,394,542
Amounts owed by group undertakings	2,701,860	2,775,190
Prepayments and accrued income	1,279,723	695,265
Other taxation and social security payable	131,839	
Deferred tax asset (see note 13)	-	43,488
	<u>8,661,506</u>	<u>7,908,485</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,556,927	4,107,527
Amounts owed to group undertakings	8,096,909	4,933,651
Other taxation and social security payable	518,966	121,774
Accruals and deferred income	1,549,105	902,114
	<u>14,721,908</u>	<u>10,065,066</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Unsecured loan note	<u>13,650,000</u>	<u>13,650,000</u>

Interest on the unsecured loan due to Sensient Technologies Limited was £210,857 for the year ended 31 December 2014. Interest for the year ended 31 December 2013 was £206,993. The loan note matures on 31 December 2016.

# SENSIENT FLAVORS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2014

### 13. PROVISION FOR LIABILITIES AND CHARGES

The deferred tax provision (2013 asset) comprises the following:

	2014	2013
	£	£
Accelerated capital allowances	484,633	(28,412)
Short term timing differences	(9,155)	(15,076)
	<u>475,478</u>	<u>(43,488)</u>
<b>Deferred taxation movement for the year</b>		
Amount recognised at the start of the year		(43,488)
Deferred tax charge in P&L for current year		141,195
Adjustment in respect of prior years		377,771
Balance at 31 December 2014		<u>475,478</u>

### 14. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
<b>Allotted, called up and fully paid</b>		
609,000 ordinary shares of £1 each	<u>609,000</u>	<u>609,000</u>

### 15. COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	Total 2014 £	Total 2013 £
At 1 January 2014	609,000	147,000	6,107,094	6,863,094	5,779,692
Profit for the year	-	-	980,246	980,246	1,083,402
Dividend paid	-	-	(770,250)	(770,250)	-
<b>At 31 December 2014</b>	<u>609,000</u>	<u>147,000</u>	<u>6,317,090</u>	<u>7,073,090</u>	<u>6,863,094</u>

## SENSIENT FLAVORS LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2014

#### 16. PARENT COMPANY

The ultimate parent company and controlling party is Sensient Technologies Corporation, a company incorporated in the United States of America. The company's financial statements are filed at the Securities and Exchange Commission in Washington D.C. The largest and smallest group of undertakings for which group financial statements have been drawn up is held by Sensient Technologies Corporation.

The immediate parent company is Sensient Holdings UK Limited (formerly Sensient Technologies (UK) Limited), a company incorporated in Great Britain, and its financial statements are filed at Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

#### 17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014, the company was committed to making the following payments during the next year in respect of plant and machinery operating leases:

	2014	2013
	£	£
Leases which expire:		
Within one year	42,997	35,605
Within 2 to 5 years	293,612	324,717
	<u>336,609</u>	<u>360,322</u>

#### 18. SHARE OPTIONS

Options over shares in the parent company, Sensient Technologies Corporation are granted to senior executives. Options are granted at an exercise price equal to that of the market price of Sensient Technologies Corporation at the time of grant. There is no cash alternative. The cost associated with the equity settled options is included in the financial statements of Sensient Technologies Corporation; additionally it is not the intention of Sensient Technologies Corporation to pass on any of the relevant costs of the options to Sensient Flavors Limited. The cost is not significant in the context of the financial statements and has not been included in these financial statements.