

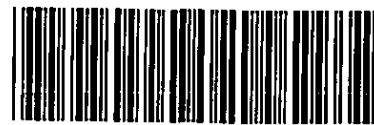
REPORT AND FINANCIAL STATEMENTS

**DSM FOOD SPECIALTIES UK LIMITED**

31 DECEMBER 2010

Registered Number 1664996

WEDNESDAY



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COMPANIES HOUSE

**DSM Food Specialties UK Limited**

**Registered No. 1664996**

**DIRECTORS**

G Weir

G J Nieboer

(resigned 28 April 2011)

A Schellekens

(appointed 28 April 2011)

**SECRETARY**

C Bratt

**AUDITORS**

Ernst & Young LLP

G1

5 George square

Glasgow

G2 1DY

**BANKERS**

Lloyds TSB Bank plc

City Office

PO Box 17328

11 – 15 Monument Street

London

EC3V 9JA

**REGISTERED OFFICE**

Delves Road

Heanorgate

Heanor

Derbyshire

DE75 7SG

**DSM Food Specialties UK Limited**

Registered No. 1664996

**REPORT AND ACCOUNTS**

**For the year ended 31 December 2010**

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## **DSM Food Specialties UK Limited**

Registered No. 1664996

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2010

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The main business of the company has been to provide services to group companies to facilitate the direct sale by those companies into the UK market

The company had a satisfactory year and the business is expected to remain strong in the coming years

The directors consider the company's financial position at the end of the year to be satisfactory

#### **RESULTS**

The profit for the year after taxation was £114,000 (2009 £79,000)

No dividend is recommended in respect of the year ended 31 December 2010 which leaves £114,000 to be transferred to reserves

#### **DIRECTORS**

The directors who served during the year are shown below

G Weir

G J Nieboer

A Schellekens

(resigned 28 April 2011)

(appointed 28 April 2011)

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **DIRECTORS' REPORT (continued)**

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's policy does not permit trading in any financial instruments. The company's principal financial instruments comprise of cash, short term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations and to reduce the impact of currency exchange rate movements on trading results. The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The main risks arising from the company's financial instruments are liquidity and foreign currency risks. The company has clear policies for managing each of these risks, as summarised below.

##### **Liquidity Risk**

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at different levels up to group board level and with hurdle rates of return and cash payback periods applied as part of the investment appraisal process.

The company participates in the overall world-wide group's funding strategy managed at corporate treasury level. The objective is to maintain a balance between continuity of funding and flexibility.

##### **Foreign Currency Risk**

The company buys and sells goods and services denominated in currencies other than sterling. The company manages such receipts and payments through the operation of other denominated currency bank accounts. As a result of the value of the company's non-sterling revenues, purchases, financial assets and liabilities, cash flows can be affected significantly by movements in exchange rates.

The company seeks to mitigate its exposure to currency movements by working with the Group's Treasury department. This department operates on a group wide basis to match the exposures anticipated in the various businesses.

##### **Competitive Risks**

The commercial risks experienced by the company are different to those affecting most commercial organisations as a result of the company's position within a global group.

##### **Legislative Risks**

The company is required to comply with all legislation, but in particular covering activities such as standards of health & safety of employees / employment legislation. The company makes use of specialists within the company with this knowledge and also within the wider DSM Group in order to manage these and ensure compliance with national laws and operational best practice.

#### **CHARITABLE CONTRIBUTIONS**

The company made no charitable donations during the year.

**DSM Food Specialties UK Limited**

**Registered No. 1664996**

**DIRECTORS' REPORT (continued)**

**DISCLOSURE OF INFORMATION TO 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 these enquiries of fellow directors and the company's auditor, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS FOR DIRECTORS**

The ultimate parent undertaking of the company maintains liability and indemnity insurance for its directors and officers and for those of its subsidiaries. The provision has been in place throughout the year.

**AUDITORS**

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

By order of the board



*C Bratt  
Secretary  
03 August 2011*

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' 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). 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DSM FOOD SPECIALTIES UK LIMITED**

We have audited the financial statements of DSM Food Specialties UK Limited for the year ended 31 December 2010 which comprise Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 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. 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 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 of the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 2010 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DSM FOOD SPECIALTIES 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 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*

*Walter Campbell (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Glasgow  
Date 9/8/2011*

**DSM Food Specialties UK Limited**

Registered No. 1664996

**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>TURNOVER</b>	2	<b>1,244</b>	970
Operating costs	3	<b>(1,087)</b>	(860)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	4	<b>157</b>	110
Group interest receivable		<b>4</b>	8
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>161</b>	118
Tax on profit on ordinary activities	6	<b>(47)</b>	(39)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	10	<b><u>114</u></b>	<u>79</u>

All items in the Profit and Loss account relate to continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses in the current or prior year other than the profit attributable to shareholders of the company

**DSM Food Specialties UK Limited**

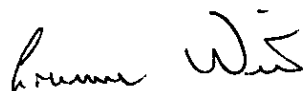
Registered No. 1664996

**BALANCE SHEET**

At 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>CURRENT ASSETS</b>			
Debtors	7	1,552	1,226
Cash in hand		1	1
		<u>1,553</u>	<u>1,227</u>
<b>CREDITORS:</b> Amounts falling due within one year	8	(284)	(72)
		<u></u>	<u></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,269</u></u>	<u><u>1,155</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		-	-
Profit and loss account	10	1,269	1,155
		<u></u>	<u></u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	10	<u><u>1,269</u></u>	<u><u>1,155</u></u>

Approved by the board on 03 August 2011

G Weir  
Director

# **DSM Food Specialties UK Limited**

**Registered No. 1664996**

## **NOTES TO THE FINANCIAL STATEMENTS**

**At 31 December 2010**

### **1. ACCOUNTING POLICIES**

#### **ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### **GOING CONCERN**

The company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined in the Director's Report. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

#### **CASH FLOW STATEMENT**

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements.

#### **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 that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exception:

- 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 difference can be deducted.

Deferred tax is measured on a non-discounted 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 CURRENCIES**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**At 31 December 2010**

#### **1. ACCOUNTING POLICIES (continued)**

##### **PENSIONS**

The company participated in the British Fermentation Products Limited Retirement Benefits Scheme, which is a defined benefit pension scheme, and which required contributions to be made to separately administered funds until June 2005

From 1 June 2005, as a result of a corporate restructuring, the company started participation in the DSM Nutritional Products (UK) Limited Pension Scheme. All service accrued under the British Fermentation Products Limited Retirement Benefits Scheme was transferred to the DSM Nutritional Products (UK) Limited Pension Scheme. The DSM Nutritional Products (UK) Limited Pension Scheme, which was renamed the DSM UK Pension Scheme in 2006, is a defined benefit pension scheme, and requires contributions to be made to separately administered funds.

DSM Nutritional Products (UK) Limited has implemented FRS 17 "Retirement Benefits" and the group pension liability has been recognised in DSM Nutritional Products (UK) Limited's accounts. As the company cannot identify its shares of underlying assets and liabilities of the scheme, it has accounted for the pension as a defined contribution scheme and its contributions are charged in the profit and loss account in accordance with the provisions of FRS 17 "Retirement Benefits" (see note 11).

##### **TURNOVER**

Turnover represents the refund of selling expenses and payment of commission on services made on behalf of group companies.

**DSM Food Specialties UK Limited**

Registered No. 1664996

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

At 31 December 2010

**2 TURNOVER**

Analysis of turnover by differing classes of business and by geographical markets is not provided since, in the opinion of the directors, such disclosure would be seriously prejudicial to the company's interests

**3 OPERATING COSTS**

2010	2009
£'000	£'000

Staff costs (Note 5)	566	485
Other operating charges	521	375
	<u>1,087</u>	<u>860</u>

**4 OPERATING PROFIT**

2010	2009
£'000	£'000

Operating profit is stated after charging Auditor's remuneration - audit	<u>7</u>	<u>8</u>
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**5 STAFF COSTS**

2010	2009
£'000	£'000

Staff costs		
Wages and salaries	461	383
Social Security costs	46	45
Other pension costs	59	57
	<u>566</u>	<u>485</u>

The average monthly number of employees was made up as follows

Number	Number
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Selling and distribution	<u>8</u>	<u>7</u>
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None of the directors received any emoluments in respect of their services to the company in either the current or prior year

**DSM Food Specialties UK Limited**

Registered No. 1664996

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

At 31 December 2010

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES****(a) Analysis of charge in period**

	2010 £'000	2009 £'000
UK corporation tax		
UK corporation tax on profits of the period	46	36
Adjustments in respect of prior years	<u>(1)</u>	<u>2</u>
	45	38
Deferred tax		
Originating and reversal of timing differences	<u>2</u>	<u>1</u>
	<u>47</u>	<u>39</u>

**(b) Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 28%. The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	<u>161</u>	<u>118</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	45	33
Effect of		
Disallowed expenses and non-taxable income	2	4
Capital Allowance in excess of depreciation	(1)	(1)
Adjustments in respect of previous periods	<u>(1)</u>	<u>2</u>
Current tax charge for the period	<u>45</u>	<u>38</u>

**DSM Food Specialties UK Limited**

Registered No. 1664996

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

At 31 December 2010

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)****(c) Deferred tax asset**

	<b>2010</b> <b>£'000</b>	2009 £'000
At 1 January	<b>11</b>	12
Profit and loss account	<u>(2)</u>	<u>(1)</u>
At 31 December	<u><b>9</b></u>	<u><b>11</b></u>

The deferred tax asset consists of

Decelerated capital allowances	<u><b>9</b></u>	<u><b>11</b></u>
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In his budget of 22 June 2010, the Chancellor of the Exchequer announced Budget tax changes, which have a significant effect on the Company's future tax position. As at 31 December 2010, the change in the tax rate from 28% to 27% which was to take effect from 1 April 2011, was 'substantively enacted' and as such, in accordance with accounting standards, this change has been reflected in the Company's financial statements as at 31 December 2010.

More recently in his budget of 24 March 2011, the Chancellor of the Exchequer proposed further decreases in the rate of UK corporation tax from 27% to 23%. The UK corporation tax rate is to reduce to 26% on 1 April 2011 and then by a further 1% each year, from April 2012. These proposed rate changes have not yet been enacted, but are to be enacted on an annual basis.

The rate change will also impact the amount of the future cash tax payment to be made by the Company. The effect on the Company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

**7 DEBTORS**

	<b>2010</b> <b>£'000</b>	2009 £'000
Amounts owed by Group undertakings	<b>1,543</b>	1,170
Corporation tax	-	45
Deferred taxation (note 6)	<u><b>9</b></u>	<u><b>11</b></u>
	<u><b>1,552</b></u>	<u><b>1,226</b></u>

**DSM Food Specialties UK Limited**

Registered No. 1664996

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

At 31 December 2010

**8 CREDITORS** Amounts falling due within one year

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Trade Creditors	1	11
Corporation tax	9	-
Other creditors	<u>274</u>	<u>61</u>
	<u><b>284</b></u>	<u><b>72</b></u>

**9 CALLED UP SHARE CAPITAL**

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Authorised 10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>
Allotted, issued and fully paid 100 ordinary shares of £1 each	<u>-</u>	<u>-</u>

**10 RECONCILIATION OF SHAREHOLDERS' FUNDS  
AND MOVEMENTS ON RESERVES**

	Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2009	-	1,076	1,076
Profit for the year	-	79	79
At 31 December 2009	<u>-</u>	<u>1,155</u>	<u>1,155</u>
Profit for the year	-	114	114
As at 31 December 2010	<u><u>-</u></u>	<u><u>1,269</u></u>	<u><u>1,269</u></u>

## **DSM Food Specialties UK Limited**

Registered No. 1664996

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**At 31 December 2010**

#### **11 PENSION COSTS**

Due to the disposal of DSM Bakery Ingredients from the DSM Group, the employees of the company were offered the opportunity to participate in a defined benefit pension scheme, the DSM Nutritional Products (UK) Limited Pension Scheme ("the Scheme") with effect from 1 June 2005. The scheme is operated by DSM Nutritional Products (UK) Limited, a fellow member of the DSM Group. Those eligible employees who were previously members of the British Fermentation Products Limited Retirement Benefits Scheme were also given the option to transfer their accrued rights in the British Fermentation Products Limited Retirement Benefits Scheme in return for broadly the same level of benefits (in respect of past service) in the scheme.

The Scheme has rules which specify the defined benefits to be paid and is financed accordingly with assets being held in independently administered funds. The Scheme is contracted-out of the State Second Pension (S2P) on a Reference Scheme Test basis.

A full actuarial valuation of the Scheme is carried out every three years and the latest full valuation was completed as at 31 December 2009, based on complete membership data at this time. The valuation revealed a funding shortfall of £5million as at 31 December 2010. Following the results of this valuation the Company agreed to annually contribute

- 13.5% of members' Pensionable Salaries to fund active members' future service pension benefits, or such other rate as is determined, using consistent actuarial methodology and assumptions, to be the cost of future service benefits if and when any changes to pension benefits are implemented, plus
- With effect from 1 January 2012, 4% of members' Pensionable Salaries in order to address the funding shortfall, or such higher rate such that overall Company contributions to the Scheme do not fall below 13.5% of members' Pensionable Salaries.

Company contributions paid to the Scheme in the year were £58,568 (2009: £57,194).

The schedules below set out the assets and liabilities of the Scheme assessed under FRS17, and the profit and loss and balance sheet entries developed from these, together with various other items that FRS17 requires to be disclosed.

The assets and liabilities of the DNP Section at 31 December are

	2010	2009
	£'000	£'000
Equities	19,107	16,330
Bonds	22,904	18,492
Property	3,363	3,204
Cash	<u>701</u>	<u>580</u>
Fair value of DNP Section assets	46,075	38,606
Present value of DNP Section liabilities	<u>(46,636)</u>	<u>(44,181)</u>
Defined benefit pension DNP Section deficit	(561)	(5,575)
Related deferred tax asset	<u>151</u>	<u>1,561</u>
Net deficit on the balance sheet	<u>(410)</u>	<u>(4,014)</u>

**DSM Food Specialties UK Limited**

Registered No. 1664996

**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 31 December 2010**

Changes in disclosed asset and liabilities

<b>Changes in DNP Section Liabilities</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
DNP Section liabilities at prior fiscal year end	<b>44,181</b>	29,650
Employer service cost	<b>2,243</b>	1,420
Interest cost	<b>2,404</b>	1,868
DNP Section participants' contributions	<b>873</b>	837
Actuarial (gain)/loss	<b>(2,797)</b>	10,685
Benefits paid from DNP Section Scheme Assets	<b>(268)</b>	(279)
<b>Scheme liabilities in the DNP Section at year end</b>	<b><u>46,636</u></b>	<b><u>44,181</u></b>

<b>Change in DNP Section Assets</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of DNP Section assets at prior fiscal year end	<b>38,606</b>	31,895
Expected return on assets	<b>2,393</b>	2,314
Actuarial gain on assets	<b>2,290</b>	1,724
Employer contributions	<b>2,181</b>	2,115
DNP Section participants' contributions	<b>873</b>	837
Benefits paid	<b>(268)</b>	(279)
<b>Scheme assets in the DNP Section at year end</b>	<b><u>46,075</u></b>	<b><u>38,606</u></b>

<b>Amounts charged to operating profit</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Company's share of service costs	<b>2,243</b>	1,420

<b>Amount charged to other finance income</b>		
Interest on DNP Section liabilities	<b>2,404</b>	1,868
Expected return on DNP Section assets	<b>(2,393)</b>	(2,314)
<b>Net charge (credit) to other finance income</b>	<b>11</b>	(446)

<b>Total P&amp;L charge</b>	<b><u>2,254</u></b>	<b><u>974</u></b>
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<b>Analysis of amounts recognised in STRGL</b>		
Gain on assets	<b>(2,290)</b>	(1,724)
(Gain)/loss on change of actuarial assumptions	<b>(2,797)</b>	10,685
<b>Total (gain)/loss recognised in STRGL</b>	<b><u>(5,087)</u></b>	<b><u>8,961</u></b>

## **DSM Food Specialties UK Limited**

Registered No. 1664996

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**At 31 December 2010**

#### **Financial assumptions**

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3 90	4 00
Rate of increase of pensions in payment (in excess of GMP)	3 30	3 40
Rate of increase for deferred pensioners	3 40	3 50
Discount rate	5 50	5 50
Inflation assumption	3 40	3 50

#### **Mortality Assumptions**

Mortality for all members is assumed to follow the SAPS tables based on each individual's calendar year of birth, with 15% uplift to underlying rates, and allowance for future improvements based on CMI projections with a long term trend of 1 0%

#### **Five year history**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Market value of DNP Section assets	<b>46,075</b>	38,606	31,895	32,276	27,687
Actuarial value of DNP Section liabilities	<b>(46,636)</b>	<b>(44,181)</b>	<b>(29,650)</b>	<b>(32,010)</b>	<b>(28,428)</b>
(Deficit) Surplus in DNP Section	<b><u>(561)</u></b>	<b><u>(5,575)</u></b>	<b><u>2,245</u></b>	<b><u>266</u></b>	<b><u>(741)</u></b>
Difference between actual and expected return on DNP Section assets	<b>(2,290)</b>	(1,724)	(4,950)	633	(1,369)
Experience gains/(losses) on DNP Section liabilities	-	-	-	(1,092)	-

#### **12 RELATED PARTY TRANSACTIONS**

The company has significant transactions with fellow subsidiaries of Royal DSM N V. Since the company is a wholly owned subsidiary, advantage has been taken of the exemption granted by Financial Reporting Standard 8 from the disclosure of these transactions.

#### **13 PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a wholly owned subsidiary of Gist-brocades Holdings Limited, a company registered in England and Wales.

The company's ultimate holding company and controlling party is Royal DSM N V, a company incorporated in The Netherlands, in whose consolidated accounts it is included, a copy of which can be obtained from Royal DSM N V, Corporate Accounting, PO Box 6500, 6401 JH Heerlen, The Netherlands.