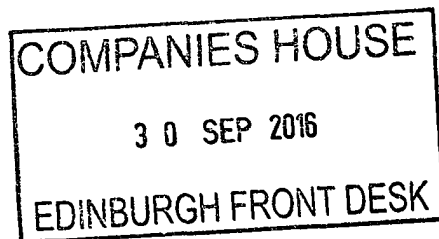


REPORT AND FINANCIAL STATEMENTS

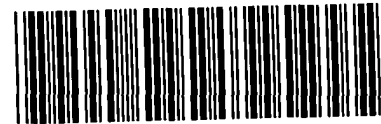
**DSM FOOD SPECIALTIES UK LIMITED**

31 DECEMBER 2015

Registered Number 1664996



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COMPANIES HOUSE

**DSM Food Specialties UK Limited**  
**Registered No. 1664996**

**DIRECTORS**

G Weir  
A Schellekens

**SECRETARY**

C Bratt

**AUDITORS**

KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

**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 FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**

**C O N T E N T S**

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7	Statement of Directors' Responsibilities
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9	Profit and Loss Account
9	Statement of Other Comprehensive Income
10	Balance Sheet
11	Statement of Changes in Equity
12	Notes to the Financial Statements

# **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 2015.

### **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 £82,000 (2014: £57,000).

No dividend is recommended in respect of the year ended 31 December 2015 which leaves £82k to be transferred to reserves.

### **DIRECTORS**

The directors who served during the year are shown below:

G Weir  
A Schellekens

## **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 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.

##### **Strategic Report**

The company has not prepared a Strategic Report as it is entitled to the small companies exemption.

**DSM Food Specialties UK Limited**

**Registered No. 1664996**

**DIRECTORS' REPORT (continued)**


**DISCLOSURE OF INFORMATION TO THE AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's 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.

By order of the board



C Bratt  
Secretary  
28 September 2016

Delves Road,  
Heanor Gate,  
Heanor,  
Derbyshire DE75 7SG

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S 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 2015 set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Bruce Marks (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

319 St Vincent Street

Glasgow

G2 5AS

30 September 2016



**DSM Food Specialties UK Limited**

Registered No. 1664996

**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
<b>TURNOVER</b>		<b>705</b>	732
Operating costs	2	(601)	(672)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	3	<b>104</b>	60
Group interest receivable		5	5
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>109</b>	65
Tax on profit on ordinary activities	5	(27)	(8)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>82</b>	<b>57</b>

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

**OTHER COMPREHENSIVE INCOME**

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**

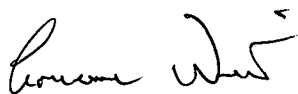
Registered No. 1664996

**BALANCE SHEET**

At 31 December 2015

	Notes	2015 £'000	2014 £'000
<b>CURRENT ASSETS</b>			
Debtors	6	1,541	1,484
Cash in hand		3	3
		<u>1,544</u>	<u>1,487</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(46)</u>	<u>(71)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,498</u></u>	<u><u>1,416</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,498	1,416
Profit and loss account		<u>          </u>	<u>          </u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u><u>1,498</u></u>	<u><u>1,416</u></u>

The financial statements were signed for and on behalf of the Board on 28 September 2016 by:



G Weir  
Director

**DSM Food Specialties UK Limited**  
**Registered No. 1664996**

**STATEMENT OF CHANGES IN EQUITY**  
**At 31 December 2015**

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	-	1,359	1,359
<b>Total comprehensive income for the period</b>			
Profit for the financial period	-	57	57
Balance at 31 December 2014	-	1,416	1,416
Balance at 1 January 2015	-	1,416	1,416
<b>Total comprehensive income for the period</b>			
Profit for the financial period	-	82	82
<b>Balance at 31 December 2015</b>	-	1,498	1,498

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

### **NOTES TO THE FINANCIAL STATEMENTS**

**At 31 December 2015**

#### **1. ACCOUNTING POLICIES**

##### **ACCOUNTING CONVENTION**

These financial statements were prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with Companies Act 2006. The transition to FRS 101 has had no impact on the reported financial position or financial performance of the Company.

##### **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 Directors' 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 FRS101 (reduced disclosure framework) 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.

##### **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 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 2015**

#### **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 IAS 19R "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 IAS 19R "Employee Benefits" (see note 11).

##### **TURNOVER**

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

In accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, the company has not prepared a segmental analysis of turnover as it is a wholly owned subsidiary of Royal DSM N.V. of The Netherlands. The consolidated financial statements of Royal DSM N.V. of The Netherlands include segmental reporting analysis.

##### **LEASED ASSETS**

Where assets are financed by leasing agreements which give rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright. The corresponding leasing obligations are shown as liabilities. Depreciation is charged to the profit and loss account in accordance with the company's standard accounting policy.

In the case of operating leases, where substantially all the risk and rewards of ownership of an asset remain with the lessor, rental payments are charged against profit as incurred.

##### **INTEREST**

Interest payable and similar charges include interest payable, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

**DSM Food Specialties UK Limited**

Registered No. 1664996

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

At 31 December 2015

<b>2. OPERATING COSTS</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs (Note 4)	<b>349</b>	315
Other operating charges	<b>252</b>	357
	<hr/>	<hr/>
	<b><u>601</u></b>	<b><u>672</u></b>
 <b>3. OPERATING PROFIT</b>	 <b>2015</b>	 <b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging:		
Auditor's remuneration - audit	<hr/> <b>8</b>	<hr/> <b>8</b>
 <b>4. STAFF COSTS</b>	 <b>2015</b>	 <b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs:		
Wages and salaries	<b>260</b>	256
Social Security costs	<b>28</b>	26
Other pension costs	<b>61</b>	33
	<hr/>	<hr/>
	<b><u>349</u></b>	<b><u>315</u></b>
 The average monthly number of employees was made up as follows:	 <b>Number</b>	 <b>Number</b>
Selling and distribution	<hr/> <b>4</b>	<hr/> <b>4</b>

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 2015

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

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
UK corporation tax:		
UK corporation tax on profits of the period	<b>22</b>	9
Adjustments in respect of prior years	<u><b>2</b></u>	<u>(2)</u>
	<b>24</b>	7
Deferred tax:		
Originating and reversal of timing differences	<u><b>3</b></u>	<u><b>1</b></u>
	<u><b>27</b></u>	<u><b>8</b></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 20.25% (2014: 21.5%). The differences are explained below:

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Profit on ordinary activities before tax	<b>109</b>	65
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	<b>22</b>	14
Effect of:		
Tax rate changes	<b>1</b>	(2)
Other timing differences	-	(1)
Adjustments in respect of previous periods	<u><b>4</b></u>	<u>(3)</u>
Tax charge for the period	<u><b>27</b></u>	<u><b>8</b></u>

**DSM Food Specialties UK Limited**

Registered No. 1664996

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

At 31 December 2015

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	6	7
Profit and loss account	<u>(3)</u>	<u>(1)</u>
At 31 December	<u><u>3</u></u>	<u><u>6</u></u>

The deferred tax asset consists of:

Decelerated capital allowances	2	6
Trading differences per the tax comp.	<u>1</u>	<u>-</u>
	<u><u>3</u></u>	<u><u>6</u></u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 29% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 Dec 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 Dec 2015 by £138.

**6. DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	1,521	1,459
Other debtors	17	19
Deferred taxation (note 5)	<u>3</u>	<u>6</u>
	<u><u>1,541</u></u>	<u><u>1,484</u></u>



**DSM Food Specialties UK Limited****Registered No. 1664996****NOTES TO THE FINANCIAL STATEMENTS (continued)****At 31 December 2015****7. CREDITORS: Amounts falling due within one year**

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Corporation tax	17	6
Amounts owed to group undertakings	4	-
Other creditors	<u>25</u>	<u>65</u>
	<u>46</u>	<u>71</u>

**8. CALLED UP SHARE CAPITAL**

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Allotted, issued and fully paid: 100 ordinary shares of £1 each	<u>-</u>	<u>-</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**9. OPERATING LEASES**

At 31 December 2015 the company has no non-cancellable lease agreements.

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

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

**At 31 December 2015**

#### **10. PENSION COSTS**

The Company participates in the DSM Nutritional Products (UK) Limited Pension Scheme ("the Scheme") with effect from 1 August 2004 to provide retirement benefits to all eligible employees. 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 IAS 19R "Employee Benefits". Those eligible employees who were previously members of the Roche Pension Fund were invited to join the Scheme with effect from the commencement date and they were also given the option to transfer their accrued rights in the Roche Pension Fund 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. The scheme is open to new and existing members.

A full actuarial valuation of the Scheme is carried out every three years and the latest full valuation was completed as at 31 December 2012, based on complete membership data at this time. The valuation revealed a funding shortfall of £14.2million as at 31 December 2012.

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 from 1 July 2014 to 31 December 2014; and
- 14.1% of members' Pensionable Salaries to fund active members' future service benefits from 1 January 2015 to 31 December 2024; plus
- £73,501 per month from 1 January 2015 for ten years until 31 December 2024 in order to address DSM Nutritional Products (UK) Limited's (including DSM Food Specialties UK Limited and Composite Resins UK Limited) share of the funding shortfall.

From 1 January 2012, the Scheme design has changed from Final Salary to Career Average Arrangement (CAA) Scheme.

Company contributions paid to the Scheme in the year were £50,303 (2014: £33,111).

Updated information as at 31st December 2015 in relation to the scheme deficit prepared in accordance with IAS 19 is included in the financial statement of DSM Nutritional Products (UK) Limited.

## **DSM Food Specialties UK Limited**

**Registered No. 1664996**

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

**At 31 December 2015**

**11. 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 101 from the disclosure of these transactions.

**12. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP**

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. The company is not consolidated in other accounts.

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