

**Company Registration No. 02170560 (England and Wales)**

**AROMATIC FLAVOURS & FRAGRANCES  
EUROPE LIMITED**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

**PAGES FOR FILING WITH REGISTRAR**



**AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	3		786,838		780,910
<b>Current assets</b>					
Stocks		494,745		405,211	
Debtors	4	1,076,738		984,066	
Cash at bank and in hand		91,922		128,474	
		<u>1,663,405</u>		<u>1,517,751</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(1,593,495)</u>		<u>(1,509,669)</u>	
<b>Net current assets</b>			69,910		8,082
<b>Total assets less current liabilities</b>			<u>856,748</u>		<u>788,992</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(29,797)		(37,366)
<b>Provisions for liabilities</b>	8		<u>(73,042)</u>		<u>(60,017)</u>
<b>Net assets</b>			<u>753,909</u>		<u>691,609</u>
<b>Capital and reserves</b>					
Called up share capital	9		3,000		3,000
Share premium account			8,000		8,000
Revaluation reserve			336,592		336,592
Profit and loss reserves			<u>406,317</u>		<u>344,017</u>
<b>Total equity</b>			<u>753,909</u>		<u>691,609</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

**AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 DECEMBER 2017**

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The financial statements were approved by the board of directors and authorised for issue on 21/05/18  
and are signed on its behalf by:

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C Fanous

Director



# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Aromatic Flavours & Fragrances Europe Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is AFF House, Station Road, Elmswell, Bury St Edmunds, Suffolk, IP30 9HD.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% reducing balance
Plant and machinery	10% reducing balance
Fixtures, fittings and equipment	20% to 33% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

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

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

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, and other loans, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

##### **Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1 Accounting policies (Continued)

##### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 30 (2016 - 30).

#### 3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2017	650,000	514,236	1,164,236
Additions	11,550	44,410	55,960
Disposals	-	(24,044)	(24,044)
At 31 December 2017	661,550	534,602	1,196,152
<b>Depreciation and impairment</b>			
At 1 January 2017	-	383,325	383,325
Depreciation charged in the year	8,534	21,751	30,285
Eliminated in respect of disposals	-	(4,296)	(4,296)
At 31 December 2017	8,534	400,780	409,314
<b>Carrying amount</b>			
At 31 December 2017	653,016	133,822	786,838
At 31 December 2016	650,000	130,910	780,910

# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Tangible fixed assets (Continued)

Land and buildings with a carrying amount of £650,000 were revalued at 23 February 2016 by Barker Storey Matthews, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	373,338	361,788
Accumulated depreciation	(84,267)	(65,728)
Carrying value	<u>289,071</u>	<u>296,060</u>

The revaluation surplus is disclosed in note 12.

### 4 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,037,169	932,537
Corporation tax recoverable	-	7,300
Other debtors	39,569	44,229
	<u>1,076,738</u>	<u>984,066</u>

### 5 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	483,116	363,657
Trade creditors	547,302	581,516
Other taxation and social security	86,288	68,720
Other creditors	476,789	495,776
	<u>1,593,495</u>	<u>1,509,669</u>

The bank loans are secured by fixed charges over land and buildings and approved UK debtor invoices.



# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	29,797	37,366

The bank loans are secured by fixed charges over land and buildings and approved UK debtor invoices.

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	5,744
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### 7 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	-	4,568
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	1,874	-

### 8 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	73,042	60,017

### 9 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3,000 Ordinary of £1 each	3,000	3,000
	3,000	3,000

# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Revaluation reserve

	2017 £	2016 £
At beginning of year	336,592	122,519
Revaluation surplus arising in the year	-	235,494
Deferred tax on revaluation of tangible assets	-	(21,421)
At end of year	<u>336,592</u>	<u>336,592</u>

### 11 Operating lease commitments

#### Lessee

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

	2017 £	2016 £
Within one year	<u>24,083</u>	<u>37,263</u>

### 12 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2017 £	2016 £	2017 £	2016 £
Other related parties	<u>47,514</u>	<u>49,312</u>	<u>57,536</u>	<u>40,314</u>

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
<b>Amounts owed to related parties</b>		
Other related parties	<u>21,400</u>	<u>37,708</u>

# AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 12 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	<b>2017</b>
	<b>Balance</b>
<b>Amounts owed by related parties</b>	<b>£</b>
Other related parties	14,601
	<u>          </u>
	<b>2016</b>
	<b>Balance</b>
<b>Amounts owed in previous period</b>	<b>£</b>
Other related parties	3,526
	<u>          </u>

These are related parties of the Company because of common control.