

Financial Statements CPL Aromas Limited

For the year ended 31 March 2013

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Company No. 1031292

Company information

Company registration number: 1031292

Registered office: Barrington Hall
Hatfield Broad Oak
BISHOPS STORTFORD
Herts
CM22 7LE

Directors: P Jacobs - Chairman
C Pickthall - Managing Director
M J A Kalinowski – Finance Director
T Pickthall - President
F Pickthall
N Pickthall
J Dunsdon
B Forbes

Secretary: C Pickthall

Bankers: Bank of Scotland
Ipswich Business Centre
35 Princes Street
IPSWICH
Suffolk
IP1 1AE

Solicitors: Birketts LLP
Brierly Place
New London Road
CHELMSFORD
Essex
CM2 0AP

Auditor: Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Grant Thornton House
202 Silbury Boulevard
CENTRAL MILTON KEYNES
MK9 1LW

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Chairman's statement

I am pleased to report on another successful year for CPL Aromas that has seen record sales and profits. The group achieved sales of £62.3M (£60.0M 2011/12) for the twelve months to 31 March 2013 representing growth of 3.8% against the previous year.

EBITDA rose to £8.1M (£7.8M 2011/12) for the year representing growth of 3.9% against the previous year.

Sales growth was achieved despite challenging market conditions and political instability in a number of key regions for the company. We delivered impressive rates of growth in several important markets including the Far East, India, and South America.

Cash generation was again excellent in the year, with net cash inflow of £7.4M, well ahead of last year's figure of £5.6M. These funds have enabled us to embark on important capital projects such as the upgrade of our IT infrastructure and the development of a new ERP system that is currently being installed throughout the group.

Last year I reported on the purchase of our Indian partners 49% stake in CPL Aromas (PVT) that took our holding to 100%. Since then we have made significant investments in the business having recently moved to a new purpose built centre in Mumbai where we have a full creative perfumery centre with sales, marketing and evaluation facilities. We view this investment as fundamental to the growth of our business in this rapidly expanding and important market.

Elsewhere, the business has invested heavily in R&D helping to maintain our position at the forefront of technical innovation within the industry. We have recently launched our new encapsulation technology, Aromacore, which delivers longer lasting fragrances for a wide range of applications, including in the laundry sector. Aromacore has received very favourable comments in the market place and secured important new orders.

We remain focussed on improving customer service levels throughout the world by adding additional resource to key areas of our business and I am pleased to report excellent progress with several of the company's major customers where we have seen the adoption of new fragrances for major new projects.

The group continues to support the valuable work of CAFOD who are committed to help building a world free of poverty and injustice. I am therefore pleased to confirm an increased donation of £140K in the year to 31 March 2013.

During the year we appointed Mr Mark Kalinowski as Group Finance Director replacing Mr Stuart Dawe who retired from the company. We also appointed Mr Bruce Forbes as non-executive director and I am pleased to welcome both Mark and Bruce to the board.

I would like to take this opportunity to thank all our customers and other partners around the world for their continued support throughout the year. I would also like to extend my thanks to the highly dedicated and loyal members of staff who make the company what it is and have helped achieve another year of growth.



Peter Jacobs

Report of the directors

The directors present their report together with the financial statements for the year ended 31 March 2013

Principal activities and business review

The principal activities of the group in the year were the design, manufacture and distribution of fragrances

CPL Aromas is an international Fragrance house, headquartered in the UK, with manufacturing, sales and creative centres throughout the world

A review of the business is contained with the Chairman's Statement on page 3

Results and dividends

The result for the year is detailed in these financial statements. The directors recommend a dividend of £1,399,995 (2012 - £375,000)

Directors

The directors who served the company during the year were as follows

P Jacobs
C Pickthall
S Dawe
T Pickthall
F Pickthall
N Pickthall
J Dunsdon

Mr S Dawe retired from the Board on 24 May 2013. Mr M J A Kalinowski and Mr B Forbes were both appointed to the Board on 25 May 2013.

Financial risk management objectives and policies

The group's principal financial instruments comprise cash, bank borrowings, finance leasing and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks. The main risks arising from the group's financial instruments are liquidity risk, currency risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

Financial risk management objectives and policies (continued)**Currency risk**

The group is exposed to transaction foreign exchange risk. If considered necessary, transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge the company does not adopt an accounting policy of hedge accounting for these financial statements.

Interest rate risk

The group finances its operations through a combination of bank borrowings and finance leases. The group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities.

Credit risk

The group seeks to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers, and by identifying and addressing any credit issues arising in a timely manner.

Environmental issues

The manufacture of fragrances necessarily involves the handling and use of chemicals. Many of the materials used are natural, derived from nature or identical to materials found in nature. The group adheres to the Code of Practice issued by the International Fragrance Association and their standards for the use of materials in fragrances. The group, through its internal quality and safety management systems, maintains controls over the use, classification, labelling, transfer and disposal of materials.

Employment of disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the group.

Donations

During the year the group made charitable donations totalling £141,015 (2012 - £130,000).

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 laws). 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 and profit or loss of the company and group 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 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.

In so far as each of the directors is aware

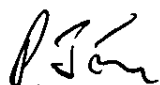
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD



P J Jacobs
Director
19 December 2013



Report of the independent auditor to the members of CPL Aromas Limited (registered number 1031292)

We have audited the group and parent company financial statements (the 'financial statements') of CPL Aromas Limited for the year ended 31 March 2013 which comprise the principal accounting policies, the group profit and loss account, group and company balance sheets, the statement of total recognised gains and losses and the related notes. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5 and 6, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's 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



Report of the independent auditor to the members of
CPL Aromas Limited
(registered number 1031292)

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Grant Thornton UK LLP.

John Corbishley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

23 December 2013.

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice),

The principal accounting policies of the group are set out below. The policies have remained unchanged from the previous year.

Basis of consolidation

The group financial statements consolidate the accounts of CPL Aromas Limited and all of its subsidiary undertakings using the acquisition method. The financial statements of all group undertakings are prepared to 31 March 2013.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that it is included in the consolidated accounts of its parent company.

Turnover

Turnover is the revenue arising from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from the sale of goods is recognised when significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life, up to a maximum of 20 years. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition, and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

As a matter of accounting policy, goodwill arising on consolidation first accounted for in accounting periods ending before 23 December 1998, the implementation date of Financial Reporting Standard No 10, was eliminated from the financial statements by immediate write-off on acquisition against reserves. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

Purchased goodwill in respect of material additions is capitalised and amortised on a straight line basis over its estimated useful economic life.

Intangible fixed assets

Expenditure on intangible assets, other than on purchased goodwill, is written off to the profit and loss account over its estimated useful life after estimating any residual value

Formulae	5 5 years straight line
Customer lists	20 years straight line

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment
Depreciation is calculated to write off the cost less estimated residual value of each asset by equal annual instalments at the following annual rates

Factory equipment	10% to 20%
Laboratory equipment	20 %
Office furniture and equipment	10% to 33%
Fixtures and fittings	10% to 15%
Motor vehicles	10% to 20%

Leasehold improvements are depreciated on a straight line basis over the remaining period of the lease

Stocks

Stocks are stated at the lower of cost and net realisable value Cost is based on the cost of purchase on a first in, first out basis Net realisable value is based on estimated selling price less additional costs to completion and disposal

Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term

Deferred taxation

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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred taxation (continued)

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

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

Foreign currencies

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

The financial statements of foreign subsidiary undertakings are translated using the closing rate method and any exchange differences arising from the translation of opening net assets are taken directly to reserves. The results of foreign subsidiary undertakings are translated using the average rate method. The differences between translating the results of foreign subsidiary undertakings at average rates and closing rates are taken directly to reserves.

The company balance sheet has monetary liabilities denominated in foreign currencies which include significant long-term loans made by overseas subsidiaries to the company. There are no intentions or plans to repay these loans to the subsidiaries for the foreseeable future. These intra-group loans are classified as long-term liabilities.

Retirement benefits

Defined Contribution Pension Scheme

Pension contributions are charged to the profit and loss account during the period in which they are paid.

Defined Benefit Pension Scheme

The company has applied the amendment to FRS17 retirement benefits which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS17 primarily affects disclosures in relation to defined benefit pension schemes. However, for quoted securities the fair value is now taken to be the current bid price rather than the mid-market value. The change has affected disclosure only and has not led to any prior year adjustment.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at the appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest charged on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Group profit and loss account

	Note	2013 £'000	2012 £'000
Turnover	1	62,263	59,986
Cost of sales		<u>(26,776)</u>	<u>(27,131)</u>
Gross profit		35,487	32,855
Distribution costs		(3,971)	(4,022)
Administrative expenses		<u>(24,994)</u>	<u>(22,575)</u>
Operating profit	2	6,522	6,258
Interest receivable and similar income		-	11
Interest payable and similar charges	4	<u>32</u>	<u>(40)</u>
Profit on ordinary activities before taxation	1	6,554	6,229
Tax on profit on ordinary activities	5	<u>(1,330)</u>	<u>(1,343)</u>
Profit on ordinary activities after taxation		5,224	4,886
Minority interests		<u>(22)</u>	<u>(34)</u>
Profit for the financial year	18	<u>5,202</u>	<u>4,852</u>

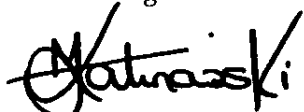
All of the activities of the group in the current year are classed as continuing

The accompanying accounting policies and notes form part of these financial statements.

Group balance sheet

	Note	£'000	2013 £'000	£'000	2012 £'000
Fixed assets					
Intangible assets	8		3,989		3,711
Tangible assets	9		7,642		5,565
Investments	10		3		3
			<u>11,634</u>		<u>9,279</u>
Current assets					
Stocks	11	7,903		8,095	
Debtors	12	31,674		30,609	
Cash at bank and in hand		<u>3,762</u>		<u>3,942</u>	
		43,339		42,646	
Creditors: amounts falling due within one year	13	<u>(12,733)</u>		<u>(13,757)</u>	
Net current assets			<u>30,606</u>		<u>28,889</u>
Total assets less current liabilities			42,240		38,168
Creditors: amounts falling due after more than one year	14		(420)		(856)
Provisions for liabilities and charges	16		<u>(179)</u>		<u>(170)</u>
Net assets excluding pension liability			41,641		37,142
Pension liability	22		<u>(473)</u>		<u>(639)</u>
Net assets including pension liability			<u>41,168</u>		<u>36,503</u>
Capital and reserves					
Called-up equity share capital	17		1,312		1,312
Share premium account	18		8,942		8,942
Profit and loss account	18		<u>30,914</u>		<u>26,126</u>
Shareholders' funds - equity	19		41,168		36,380
Minority interests			<u>-</u>		<u>123</u>
			<u>41,168</u>		<u>36,503</u>

These financial statements were approved and authorised for issue by the directors on 19 December 2013 and are signed on their behalf by



M J A Kalinowski
Director

Registered number 1031292



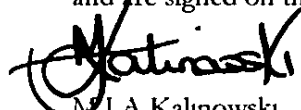
P J Jacobs
Director


The accompanying accounting policies and notes form part of these financial statements

Company balance sheet

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	8	1,210	1,368
Tangible assets	9	3,746	2,136
Investments	10	2,115	1,514
		<u>7,071</u>	<u>5,018</u>
Current assets			
Stocks	11	2,900	3,088
Debtors amounts falling due within one year	12	6,630	8,553
Debtors amounts falling due after more than one year	12	20,316	19,448
Cash at bank and in hand		1,634	2,321
		<u>31,480</u>	<u>33,410</u>
Creditors: amounts falling due within one year	13	<u>(10,500)</u>	<u>(10,552)</u>
Net current assets		<u>20,980</u>	<u>22,858</u>
Total assets less current liabilities		<u>28,051</u>	<u>27,876</u>
Creditors: amounts falling due after more than one year	14	<u>(6,159)</u>	<u>(7,933)</u>
Net assets excluding pension liability		<u>21,892</u>	<u>19,943</u>
Pension liability	22	<u>(473)</u>	<u>(639)</u>
Net assets including pensions liability		<u>21,419</u>	<u>19,304</u>
Capital and reserves			
Called-up equity share capital	17	1,312	1,312
Share premium account	18	8,942	8,942
Profit and loss account	18	11,165	9,050
Shareholders' funds		<u>21,419</u>	<u>19,304</u>

These financial statements were approved and authorised for issue by the directors on 19 December 2013 and are signed on their behalf by


M J A Kalinowski
Director


P J Jacobs
Director

Registered number 1031292

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2013 £'000	2012 £'000
Profit for the financial year	5,202	4,852
Exchange movement relating to net assets of subsidiary undertakings	997	(278)
Actuarial loss on pension scheme	(14)	(676)
Less provision for deferred tax	3	162
Total gains and losses recognised since the last financial statements	6,188	4,060

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the principal activity of the group as set out in the Report of the Directors

An analysis of turnover is given below:

	2013 £'000	2012 £'000
United Kingdom	4,520	4,421
Other European Union countries	7,315	7,324
Rest of Europe	3,231	3,273
Far East	26,022	25,363
Americas	4,405	3,921
Rest of world	16,770	15,685
	<u>62,263</u>	<u>59,986</u>

2 Operating profit

Operating profit is stated after charging:

	2013 £'000	2012 £'000
Amortisation of intangible fixed assets	415	402
Depreciation of tangible fixed assets		
- Owned assets	1,115	1,098
- Leased assets	61	49
Loss/(gain) on foreign exchange transactions	128	(56)
Operating lease rentals		
- Land and buildings	1,225	1,155
- Other assets	120	111
Auditor's remuneration	<u>22</u>	<u>20</u>

Fees paid to the company's auditor for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements for the company's parent, CPL Aromas (Holdings) Limited, disclose non-audit fees on a consolidated basis

3 Directors and employees

Staff costs during the year were as follows

	2013 £'000	2012 £'000
Wages and salaries	11,685	11,170
Social security costs	1,484	1,316
Other pension costs	349	(205)
	<u>13,518</u>	<u>12,281</u>

Pension costs for 2012 include a gain on curtailment in respect of defined benefit pension arrangements of £661,000

The average number of staff employed by the group during the financial year amounted to

	2013 No	2012 No
Laboratory and technical	109	110
Production	139	135
Selling and distribution	69	65
Administration	77	77
	<u>394</u>	<u>387</u>

Remuneration in respect of directors was as follows

	2013 £'000	2012 £'000
Emoluments	940	964
Pension contributions to money purchase pension schemes	22	50
	<u>962</u>	<u>1,014</u>
Emoluments of the highest paid director	<u>198</u>	<u>212</u>

There were 3 (2012 - 3) directors in the group's defined benefit scheme during the year. There were 4 (2012 - 4) directors who participated in the group's defined contribution pension scheme during the year.

4 Interest payable and similar charges

	2013 £'000	2012 £'000
Bank loans and overdrafts	4	47
Finance leases and other interest	5	5
Pension schemes net finance credit	(41)	(12)
	<u>(32)</u>	<u>40</u>

5 Taxation on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
UK corporation tax	64	65
Over provision in previous year	(117)	(104)
Overseas taxation	1,320	1,201
Total current tax	1,267	1,162
Deferred tax		
Timing differences between defined benefit pension scheme contributions and costs	63	181
Tax on profit on ordinary activities	1,330	1,343

The tax assessed on the profit on ordinary activities for the year is lower (2012 - lower) than the standard rate of corporation tax in the UK of 24% (2012 - 28%)

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	6,554	6,229
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	1,573	1,620
Effect of		
Expenses not deductible for tax purposes	145	151
Non taxable income	(30)	(19)
Depreciation in excess of capital allowances for the year	(71)	(39)
Other timing differences	34	(138)
Creation of tax losses	126	(25)
Prior year adjustment	(117)	(104)
Effect of lower overseas rates of corporation tax	(393)	(284)
Current tax charge for the year	1,267	1,162

The group has unrelieved tax losses in excess of £700,000 (2012 - £998,000) to carry forward against future taxable profits. No deferred tax asset in respect of these losses has been recognised, due to the uncertainty over the timings and amounts of their recoverability.

6 Profit for the financial year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £3,526,345 (2012 - £4,139,597) which is dealt with in the financial statements of the company.

7 Dividends

	2013 £'000	2012 £'000
Equity dividends paid	<u>1,400</u>	<u>375</u>

8 Intangible fixed assets

The group

	Formulae £'000	Customer lists £'000	Purchased goodwill £'000	Goodwill on consolidation £'000	Total £'000
Cost				£	
At 1 April 2012	1,151	4,037	474	-	5,662
Additions	-	-	-	584	584
Exchange differences	<u>45</u>	<u>77</u>	<u>25</u>	<u>-</u>	<u>151</u>
At 31 March 2013	<u>1,200</u>	<u>4,114</u>	<u>499</u>	<u>584</u>	<u>6,397</u>
Amortisation					
At 1 April 2012	421	1,420	110	-	1,951
Provided in the year	76	285	38	16	415
Exchange differences	<u>17</u>	<u>16</u>	<u>9</u>	<u>-</u>	<u>42</u>
At 31 March 2013	<u>514</u>	<u>1,721</u>	<u>157</u>	<u>16</u>	<u>2,408</u>
Net book amount at 31 March 2013	<u><u>686</u></u>	<u><u>2,393</u></u>	<u><u>342</u></u>	<u><u>568</u></u>	<u><u>3,989</u></u>
Net book amount at 31 March 2012	<u>730</u>	<u>2,617</u>	<u>364</u>	<u>-</u>	<u>3,711</u>

The company

	Formulae £'000	Customer lists £'000	Total £'000
Cost			
At 1 April 2012 and 31 March 2013	<u>202</u>	<u>2,435</u>	<u>2,637</u>
Amortisation			
At 1 April 2012	202	1,067	1,269
Provided in the year	<u>-</u>	<u>158</u>	<u>158</u>
At 31 March 2013	<u>202</u>	<u>1,225</u>	<u>1,427</u>
Net book amount at 31 March 2013	<u><u>-</u></u>	<u><u>1,210</u></u>	<u><u>1,210</u></u>
Net book amount at 31 March 2012	<u>-</u>	<u>1,368</u>	<u>1,368</u>

9 Tangible fixed assets

The group

	Leasehold improvements £'000	Factory equipment £'000	Laboratory equipment £'000	Furniture fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 April 2012	1,233	4,688	1,023	6,217	396	13,557
Additions	555	950	100	1,405	123	3,133
Disposals	-	(6)	(236)	(23)	(38)	(304)
Exchange differences	39	134	2	132	16	323
At 31 March 2013	1,827	5,766	889	7,731	496	16,709
Depreciation						
At 1 April 2012	401	2,763	923	3,759	146	7,992
Charge in the year	99	407	43	564	63	1,176
Disposals	-	(6)	(236)	(19)	(16)	(277)
Exchange differences	10	75	3	81	7	176
At 31 March 2013	510	3,239	733	4,385	200	9,067
Net book amount at 31 March 2013	1,317	2,527	156	3,346	296	7,642
Net book amount at 31 March 2012	832	1,925	100	2,458	250	5,565

The net book value of fixed assets includes £258,000 (2012 - £128,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation was charged on these assets during the year of £61,000 (2012 - £49,000)

Tangible fixed assets (continued)**The company**

	Land and buildings leasehold £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2012	455	2,980	3,793	97	7,325
Additions	116	674	1,270	31	2,091
Disposals	-	(240)	-	(39)	(279)
At 31 March 2013	571	3,414	5,063	89	9,137
Depreciation					
At 1 April 2012	217	2,452	2,459	61	5,189
Charge in the year	43	147	259	9	458
Eliminated on disposal	-	(240)	-	(16)	(256)
At 31 March 2013	260	2,359	2,718	54	5,391
Net book amount at 31 March 2013	311	1,055	2,345	35	3,746
Net book amount at 31 March 2012	238	528	1,334	36	2,136

Included above are assets held under finance leases or as follows

	Fixtures, fittings and equipment £'000	Motor vehicles £'000
Net book amount at 31 March 2013	223	-
31 March 2012	88	4
Depreciation charge for the year 31 March 2013	33	-
31 March 2012	17	8

10 Fixed asset investments

The group

	Shares in group undertakings £'000	Other investments unlisted £'000	Total £'000
Cost			
At 1 April 2012 and at 31 March 2013	-	15	15
Amounts written off			
At 1 April 2012 and at 31 March 2013	-	12	12
Net book amount at 31 March 2013 and at 31 March 2012	-	3	3

The company

Cost			
At 1 April 2012	1,511	3	1,514
Additions	601	-	601
At 31 March 2013	2,112	3	2,115

At 31 March 2013 the group held 20% or more of the equity of the following:

Subsidiary undertakings	Country of registration or incorporation	Percentage of ordinary shares held
CPL Aromas (Far East) Limited	Hong Kong	100%
CPL Aromas France S A S	France	100%
CPL Aromas Inc	USA	100%
CPL Aromas Colombia Ltda	Colombia	100%
CPL Aromas GmbH	Germany	100%
CPL Aromas FZE	UAE	100%
CPL India (PVT) Limited	India	100%
Massive Way Limited	Hong Kong	100%*
Guangzhou Sifang Aromas Co Ltd	China	100%*

*shares held by CPL Aromas (Far East) Limited

During the year the company acquired the balance of 49% of the share capital of CPL India (PVT) Limited for a consideration of £601,237

All subsidiaries operate in their country of registration or incorporation All subsidiaries are engaged in the distribution of fragrance oils

11 Stocks

	The group		The company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Raw materials and consumables	5,753	5,047	2,463	2,390
Finished goods and goods for resale	2,150	3,048	437	698
	<u>7,903</u>	<u>8,095</u>	<u>2,900</u>	<u>3,088</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

12 Debtors

	The group		The company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade debtors	14,605	13,316	2,564	2,120
Amounts owed by parent undertaking	13,172	13,172	13,172	13,172
Amounts owed by other group undertakings	-	-	10,262	10,856
Other debtors	3,177	3,518	619	1,576
Prepayments and accrued income	720	603	329	277
	<u>31,674</u>	<u>30,609</u>	<u>26,946</u>	<u>28,001</u>

Amounts falling due after more than one year and included in the debtors above are

	The group		The company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Amounts owed by parent undertaking	13,172	13,172	13,172	13,172
Amounts owed by other group undertakings	-	-	7,144	6,276
	<u>13,172</u>	<u>13,172</u>	<u>20,316</u>	<u>19,448</u>

13 Creditors: amounts falling due within one year

	The group		The company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	634	1,665	417	1,664
Trade creditors	4,039	5,490	3,180	3,686
Amounts owed to group undertakings	-	-	4,845	3,327
Corporation tax	656	303	-	-
Taxes and social security costs	426	345	137	127
Other creditors	5,015	3,716	390	345
Net obligations under finance leases	92	59	71	35
Accruals and deferred income	1,871	2,179	1,460	1,368
	<u>12,733</u>	<u>13,757</u>	<u>10,500</u>	<u>10,552</u>

14 Creditors: amounts falling due after more than one year

	The group		The company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans	315	730	314	730
Amounts owed to group undertakings	-	-	5,766	7,200
Net obligations under finance leases	105	47	79	3
Other creditors	-	79	-	-
	<u>420</u>	<u>856</u>	<u>6,159</u>	<u>7,933</u>

Finance lease creditors are secured on the assets to which they relate

The bank loan is repayable in monthly instalments to December 2014. Interest is charged at 1.15% above the Bank of Scotland base rate. The loan is secured by a fixed and floating charge over assets of the undertaking.

15 Borrowings

Borrowings are repayable as follows

	The group		The company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Within one year				
Bank loans and overdrafts	634	1,665	417	1,664
Finance leases	92	59	70	35
After one and within two years				
Bank loans	315	730	314	416
Finance leases	85	22	63	3
After two and within five years				
Bank loans	-	-	-	314
Finance leases	20	25	16	-
	2,501	2,501	880	2,432

16 Provision for liabilities and charges

The group

	Deferred tax
	£'000
At 1 April 2012	170
Exchange difference	9
At 31 March 2013	179

Deferred taxation provided for represents accelerated capital allowances

17 Share capital

	2013	2012
	£'000	£'000
Authorised		
17,950,000 ordinary shares of 10p each	1,795	1,795
Allotted, called up and fully paid		
13,119,453 ordinary shares of 10p each	1,312	1,312

18 Reserves

The group

	Share premium account £'000	Profit and loss account £'000
At 1 April 2012	8,942	26,126
Profit for financial year	-	5,202
Dividends paid	-	(1,400)
Translation differences	-	997
Actuarial loss on pension scheme	-	(14)
Deferred tax effect on actuarial gain on pension scheme	-	3
	<u>8,942</u>	<u>30,914</u>
At 31 March 2013		

The cumulative amount of goodwill written off directly to reserves is £3,254,793 (2012 - £3,254,793)

The company

	Share premium account £'000	Profit and loss account £'000
At 1 April 2012	8,942	9,050
Profit for financial year	-	3,527
Dividends paid	-	(1,400)
Actuarial loss on pension scheme	-	(14)
Deferred tax effect on actuarial gain on pension scheme	-	3
	<u>8,942</u>	<u>11,165</u>
At 31 March 2013		

19 Reconciliation of movement in consolidated shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	5,202	4,852
Equity dividends	<u>(1,400)</u>	<u>(375)</u>
	3,802	4,477
Translation differences	997	(278)
Other recognised gains and losses	<u>(11)</u>	<u>(514)</u>
	4,788	3,685
Net movement in equity shareholders' funds	<u>36,380</u>	<u>32,695</u>
Opening shareholders' funds		
	<u>41,168</u>	<u>36,380</u>
Closing shareholders' funds		

20 Contingent liabilities

The group had no contingent liabilities at 31 March 2013 or 31 March 2012

21 Leasing commitments

Operating lease payments amounting to £1,540,000 (2012 - £1,017,000) are due within one year for the group and £526,000 (2012 - £417,000) are due within one year for the company. The leases to which these amounts relate expire as follows:

The group

	2013		2012	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
Within one year	155	10	-	-
Between one and five years	515	78	52	-
In more than five years	757	24	965	-
	1,427	112	1,017	-

The company

	2013		2012	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
Within one year	-	10	-	-
Between one and five years	-	78	-	-
In more than five years	438	-	417	-
	438	88	417	-

22 Pensions

The group operates three main pension schemes. The assets of the schemes are held separately from those of the company.

Defined benefit pension scheme

The CPL Aromas Limited Retirement Benefits Scheme is a funded, defined benefit scheme which was closed to new members on 1 April 1995 and future accruals on 31 December, 2011.

Contributions to the scheme are charged to the profit and loss account so as to spread the costs of pensions over employees' working lives with the employer. The contributions are determined by a qualified independent actuary on the basis of triennial valuations which compare current fund assets with prospective scheme liabilities.

The last full actuarial valuation of this scheme was carried out as at 1 April 2010 using the projected unit method. The main assumptions adopted for pension cost purposes were:

CPI inflation	6.0% per annum
Salary increases	4.0% per annum
Pre-retirement discount rate	6.0% per annum
Post-retirement discount rate	4.2% per annum
Pension increases in payment	2.3 and 3.1% per annum

At 1 April 2010 the market value of the assets of the scheme was £2,455,000 which was sufficient to cover 60% of the benefits that had accrued to members, after allowing for expected future increases in pensionable salaries.

The amounts shown as the pension charge and as contributions paid both exclude the amounts paid to insure death in service benefits. The employers' pension contributions payable and paid for the year amounted to £200,000 (2012 - £240,000).

Following the last actuarial valuation, the company has agreed to pay annual contributions of 15.0% of members' pensionable salaries each year plus payments to pay off the deficit of £200,000 per annum for 10 years.

A full actuarial valuation of the defined benefit scheme was carried out at 1 April 2010 and has been updated to 31 March 2013 by a qualified independent actuary on a FRS 17 basis. The major assumptions used by the actuary at 31 March 2013 were:

Financial assumptions

	2013	2012	2011	2010	2009
	%	%	%	%	%
Rate of increase in salaries	n/a	4.00	4.00	4.30	3.65
Rate of increase for pensions in payment	2.50	2.40	2.70	3.70	3.00
Discount rate	4.70	4.90	5.50	5.50	6.40
Inflation assumption	3.60	3.50	3.50	3.80	3.15
Revaluation rate for deferred pensioners	2.60	2.50	2.80	3.80	3.15

Pensions (continued)**Demographic assumptions**

	2013		2012	
	AMC00/AFC00 PCA00mc (yob)		AMC00/AFC00 PCA00mc (yob)	
Life expectancy	2013 Males	2013 Females	2012 Males	2012 Females
Current 65 year old pensioner	23.4 years	25.3 years	22.5 years	24.9 years
At age 65 for a current 45 year old non-pensioner	25.1 years	27.3 years	24.5 years	26.8 years

The amounts recognised in profit or loss are as follows

	2013 £'000	2012 £'000
Current service cost	-	(85)
Past service cost	-	(146)
Interest on obligation	(201)	(203)
Expected return on plan assets	242	215
Gains on curtailments	-	661
Total	41	442

The current service cost is recognised within other pensions costs, the difference between the interest on obligation and the expected return on plan assets is recognised within finance costs and the gain on curtailments is shown as an exceptional item

The amounts recognised in the consolidated balance sheet are as follows

	2013 £'000	2012 £'000	2011 £'000
Fair value of plan assets	3,969	3,284	2,871
Present value of funded retirement benefit obligations	(4,583)	(4,125)	(3,718)
Deficit	(614)	(841)	(847)
Related deferred tax asset	141	202	220
Net pension liability	(473)	(639)	(627)

Pensions (continued)

The assets of the scheme are invested in a diversified portfolio, analysed as follows

	2013		2012		2011	
	Market	% of total	Market	% of total	Market	% of total
	value	scheme	value	scheme	value	scheme
	£'000	assets	£'000	assets	£'000	assets
		%		%		%
Equities	3,358	85	2,783	85	2,432	85
Gilts	594	15	484	15	423	15
Cash	17	-	17	-	16	-
	<u>3,969</u>		<u>3,284</u>		<u>2,871</u>	

The actual return on scheme assets was £544,000 (2012 - £147,000)

Changes in the present value of the defined benefit obligation are as follows

	2013	2012
	£000	£000
Opening defined benefit obligation at start of year	4,125	3,718
Employee contributions	-	26
Current service cost	-	85
Past service cost	-	146
Interest cost	201	203
Actuarial losses	316	608
Benefits paid	(59)	-
Curtailments	-	(661)
	<u>4,583</u>	<u>4,125</u>

Closing defined benefit obligation at end of year

Changes in the fair value of plan assets are as follows

	2013	2012
	£000	£000
Opening fair value of plan assets at start of year	3,284	2,871
Expected return	242	215
Employer contributions	200	240
Employee contributions	-	26
Actuarial gains/(losses)	302	(68)
Benefits paid	(59)	-
	<u>3,969</u>	<u>3,284</u>

Closing fair value of plan assets at end of year

The total amounts recognised in the statement of total recognised gains and losses are

	2013	2012
	£000	£000
Actuarial losses	<u>(14)</u>	<u>(676)</u>

The cumulative actuarial movement recognised in the statement of total recognised gains and losses was £1,005,000 deficit

Pensions (continued)

Amounts for the current and previous four periods are as follows

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Fair value of plan assets	3,969	3,284	2,871	2,454	1,592
Present value of defined benefit obligation	(4,583)	(4,125)	(3,718)	(3,974)	(2,465)
Deficit in the plan	(614)	(841)	(847)	(1,520)	(873)
Experience adjustments arising on plan assets	302	(68)	53	606	(651)
Experience adjustments arising on plan liabilities	13	(20)	41	(99)	(21)

Defined contribution pension scheme

The scheme is a group stakeholder pension scheme. The employers contributions payable and paid for the year amounted to £57,532 (2012 - £92,667). Employer contributions by the group into other money purchase arrangements amounted to £222,490 (2012 - £176,322).

The Contemporary Perfumers Limited Pension Fund, a self administered pension scheme, is a defined contribution scheme for certain directors of the company and the contributions payable and paid for the year was £nil (2012 - £nil).

23 Capital commitments

The group

	2013	2012
	£'000	£'000
Contracted for but not provided	3,365	1,860

24 Post balance sheet events

25 Related party transactions

The group has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" not to disclose details of transactions with companies within the group.

During the year, the group paid £240,000 (2012 - £240,000) to the Contemporary Perfumers Limited Pension Scheme in respect of rent on the freehold property.

26 Ultimate controlling party

The immediate parent undertaking of the company is CPL Aromas (Holdings) Limited. The ultimate controlling party, of the group and the company, for both this and the preceding year, was the Pickthall family.