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Financial Statements
CPL Aromas Limited

For the year ended 31 March 2014

Company No. 1031292

Company information

Company registration number:	1031292
Registered office:	Barrington Hall Hatfield Broad Oak BISHOPS STORTFORD Herts CM22 7LE
Directors:	P J Jacobs - Chairman C Pickthall - Managing Director M J A Kalinowski – Finance Director T Pickthall - President F Pickthall N Pickthall J H 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

Index to the financial statements

Chairman's statement

I am delighted to report on an excellent year of significant growth for the company, yet again delivering record sales and profits despite the effects of a strong pound.

The group achieved sales of £68.4m (£62.2m 2012/13) for the twelve months to 31 March 2014, representing growth of 9.9% against the previous year. EBITDA rose to £9.9m (£8.1m 2012/13) for the year, representing growth of 22.0% against the previous year.

2013/14 was a year of consistent growth in our key target markets and I am pleased to report that we grew sales significantly with many of our major target customers. Growth was especially strong in India where CPL India grew its business by 149% from the previous year. CPL Dubai, which services the MENA region, grew sales by 21%, whilst CPL's Latin American division saw growth of 15%. Elsewhere our more developed markets in the Far East and mainland Europe also performed well and we saw a welcome return to growth in the UK.

These results helped the business generate excellent levels of cash, with a net cash inflow of £7.54m during 2013/14 compared to £7.39m in 2012/13.

Last year I reported that the company had embarked on some important capital projects including the upgrade of certain parts of our IT infrastructure. I am pleased to report that we successfully installed a new ERP system in our Latin American, US and European manufacturing sites and we will implement the new system in our remaining sites later this year.

Also, our continued investment in R&D has helped to ensure that CPL remains at the forefront of technical innovation. Our three proprietary technologies; Aromacore, Aromaguard and Ecoboost, have helped drive sales with customers who increasingly see CPL as a leader in fragrance creativity and innovation.

Such consistent levels of investment over a prolonged period have helped ensure CPL maintains a global infrastructure that is well positioned to meet the needs of our customers throughout the world, enhance the efficiency of our business and provide world-class levels of customer service.

During 2013/14 CPL has helped to establish a perfumery course for the visually impaired in India. Together with the Blind Persons Association (Mumbai) and other industry partners we have developed a bespoke course at V.G. Vaze College. This initiative has given the visually impaired the opportunity to learn perfumery skills that utilize their heightened levels of odour perception. I am delighted that CPL's research and funding in this area has provided employment for the visually impaired at both CPL and other fragrance companies in India.

The group continues to support the valuable work of CAFOD, a charitable organisation that is committed to help building a world free of poverty and injustice. I am therefore pleased to confirm an increased donation of £150K in the year to 31 March 2014.

In a year of significant achievements for the company 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

1/9/2014.

Report of the directors

The directors present their report together with the financial statements for the year ended 31 March 2014.

Results and dividends

The result for the year is detailed in these financial statements. The directors recommend a dividend of £987,676 (2013 - £1,399,995).

Directors

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

P J Jacobs
C Pickthall
M J A Kalinowski – appointed 25 May 2013
T Pickthall
F Pickthall
N Pickthall
J H Dunsdon
B Forbes – appointed 25 May 2013

Mr S E Dawe retired from the Board on 24 May 2013.

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 control 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 £151,958 (2013 - £141,015).

Financial risk management objectives and policies

The group's principal financial instruments comprise cash, bank borrowings, finance leases 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.

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.

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.

Statement of directors' responsibilities (continued)

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
1/9/2014

Stategic report

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 within the Chairman's Statement on page 3.

Principal risks and uncertainties

In addition to the considerable opportunities we have to grow and develop our business, the group faces a range of risks and uncertainties as part of both its day-to-day operations and its corporate activities. The financial risks have been dealt with above. However, the narrative which follows describes those other specific risks and uncertainties, not already dealt with either in this report or in the Chairman's statement, that the directors believe could have the most significant impact on the group's trading performance.

Market conditions and the Global economic environment

Input prices and availability

Retaining and developing key personnel

Business continuity

The group has in place policies and procedures to ensure that it takes reasonable and necessary steps to mitigate its exposure to the aforementioned risks and uncertainties.

ON BEHALF OF THE BOARD

P J Jacobs
Director
1/9/2014

Grant Thornton

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 2014 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 pages 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 2014 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.

Grant Thornton

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 Chairman's Statement, Directors' Report and Strategic 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

1/9/2014.

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 2014.

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. 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 lead 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	2014 £'000	2013 £'000
Turnover	1	**68,420**	62,263
Cost of sales		**(27,030)**	(26,776)
Gross profit		**41,390**	35,487
Distribution costs		**(4,936)**	(3,971)
Administrative expenses		**(28,525)**	(24,994)
Operating profit	2	**7,929**	6,522
Interest receivable and similar income		**15**	-
Interest payable and similar charges	4	**43**	32
Profit on ordinary activities before taxation	1	**7,987**	6,554
Tax on profit on ordinary activities	5	**(1,628)**	(1,330)
Profit on ordinary activities after taxation		**6,359**	5,224
Minority interests		**-**	(22)
Profit for the financial year	18	**6,359**	5,202

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

Group balance sheet

	Note		2014		2013
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8		**3,369**		3,989
Tangible assets	9		**9,788**		7,642
Investments	10		**3**		3
			13,160		11,634
Current assets					
Stocks	11	**10,420**		7,903	
Debtors	12	**32,529**		31,674	
Cash at bank and in hand		**5,552**		3,762	
		48,501		43,339	
Creditors: amounts falling due within one year	13	**(16,647)**		(12,733)	
Net current assets			**31,854**		30,606
Total assets less current liabilities			**45,014**		42,240
Creditors: amounts falling due after more than one year	14		**(36)**		(420)
Provisions for liabilities and charges	16		**(147)**		(179)
Net assets excluding pension liability			**44,831**		41,641
Pension liability	22		**(230)**		(473)
Net assets including pension liability			**44,601**		41,168
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		**34,347**		30,914
Shareholders' funds	19		**44,601**		41,168

These financial statements were approved and authorised for issue by the directors on 1/9/2014 and are signed on their behalf by:

M J A Kalinowski
Director

P J Jacobs
Director

Registered number 1031292

Company balance sheet

	Note		2014		2013
		£'000	£'000	£000	£000
Fixed assets					
Intangible assets	8		**1,051**		1,210
Tangible assets	9		**4,232**		3,746
Investments	10		**2,115**		2,115
			7,398		7,071
Current assets					
Stocks	11	**4,156**		2,900	
Debtors	12	**27,832**		26,946	
Cash at bank and in hand		**866**		1,634	
		32,854		31,480	
Creditors: amounts falling due within one year	13	**(12,332)**		(10,500)	
Net current assets			**20,522**		20,980
Total assets less current liabilities			**27,920**		28,051
Creditors: amounts falling due after more than one year	14		**(6,210)**		(6,159)
Provisions for liabilities and charges	16		**(45)**		-
Net assets excluding pension liability			**21,665**		21,892
Pension liability	22		**(230)**		(473)
Net assets including pensions liability			**21,435**		21,419
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		**11,181**		11,165
Shareholders' funds			**21,435**		21,419

These financial statements were approved and authorised for issue by the directors on 1/7/2014 and are signed on their behalf by:

M J A Kalinowski
Director

P J Jacobs
Director

Registered number 1031292

Other primary statements

Statement of total recognised gains and losses

	2014 £'000	2013 £'000
Profit for the financial year	**6,359**	5,202
Exchange movement relating to net assets of subsidiary undertakings	**(1,980)**	997
Actuarial gain/(loss) on pension scheme	**53**	(14)
Less: provision for deferred tax	**(11)**	3
Total gains and losses recognised since the last financial statements	**4,421**	6,188

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 Strategic Report.

An analysis of turnover is given below:

	2014 £'000	2013 £'000
United Kingdom	5,152	4,520
Other European Union countries	7,508	7,315
Rest of Europe	2,960	3,231
Far East	27,024	26,022
Americas	5,193	4,405
Rest of world	20,583	16,770
	68,420	62,263

2 Operating profit

Operating profit is stated after charging:

	2014 £'000	2013 £'000
Amortisation of intangible fixed assets	442	415
Depreciation of tangible fixed assets		
- Owned assets	1,463	1,115
- Leased assets	65	61
Loss on foreign exchange transactions	115	128
Operating lease rentals:		
- Land and buildings	1,240	1,225
- Other assets	175	120
Auditor's remuneration	23	22

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:

	2014 £'000	2013 £'000
Wages and salaries	12,934	11,685
Social security costs	1,556	1,484
Other pension costs	384	349
	14,874	13,518

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

	2014 No	2013 No
Laboratory and technical	129	109
Production	155	139
Selling and distribution	69	66
Administration	82	77
	435	391

Remuneration in respect of directors was as follows:

	2014 £'000	2013 £'000
Emoluments	1,271	940
Pension contributions to money purchase pension schemes	42	22
	1,313	962
Emoluments of the highest paid director	280	198

There were 3 (2013 - 3) directors in the group's defined benefit scheme during the year. There were 4 (2013 - 4) directors who participated in the group's defined contribution pension scheme during the year.

4 Interest payable and similar charges

	2014 £'000	2013 £'000
Bank loans and overdrafts	25	4
Finance leases and other interest	5	5
Pension schemes net finance credit	(73)	(41)
	(43)	(32)

5 Taxation on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax		
UK corporation tax	20	64
Over provision in previous year	(4)	(117)
Overseas taxation	1,559	1,320
Total current tax	1,575	1,267
Deferred tax		
Origination and reversal of timing differences	(19)	-
Timing differences between defined benefit pension scheme contributions and costs	72	63
	53	63
Tax on profit on ordinary activities	1,628	1,330

The tax assessed on the profit on ordinary activities for the year is lower (2013 - lower) than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	7,987	6,554
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	1,837	1,573
Effect of:		
Expenses not deductible for tax purposes	110	145
Non taxable income	(12)	(30)
Differences between depreciation and capital allowances for the year	(52)	(71)
Other timing differences	(12)	34
Creation of tax losses	158	126
Prior year adjustment	(4)	(117)
Effect of lower overseas rates of corporation tax	(450)	(393)
Current tax charge for the year	1,575	1,267

The group has unrelieved tax losses in excess of £3,400,000 (2013 - £3,100,000) 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 £962,149 (2013 - £3,526,345) which is dealt with in the financial statements of the company.

7 Dividends

	2014 £'000	2013 £'000
Equity dividends paid	**988**	1,400

8 Intangible fixed assets

The group

	Formulae £'000	Customer lists £'000	Purchased goodwill £'000	Goodwill on consolidation £'000	Total £'000
Cost				£	
At 1 April 2013	1,200	4,114	499	584	6,397
Exchange differences	(81)	(150)	(43)	-	(274)
At 31 March 2014	1,119	3,964	456	584	6,123
Amortisation					
At 1 April 2013	514	1,721	157	16	2,408
Provided in the year	77	294	39	32	442
Exchange differences	(30)	(51)	(15)	-	(96)
At 31 March 2014	561	1,964	181	48	2,754
Net book amount at 31 March 2014	**558**	**2,000**	**275**	**536**	**3,369**
Net book amount at 31 March 2013	686	2,393	342	568	3,989

The company

	Formulae £'000	Customer lists £'000	Total £'000
Cost			
At 1 April 2013 and 31 March 2014	202	2,435	2,637
Amortisation			
At 1 April 2013	202	1,225	1,427
Provided in the year	-	159	159
At 31 March 2014	202	1,384	1,586
Net book amount at 31 March 2014	**-**	**1,051**	**1,051**
Net book amount at 31 March 2013	-	1,210	1,210

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 2013	1,827	5,766	889	7,731	496	16,709
Additions	1,413	1,165	58	1,223	143	4,002
Disposals	(4)	(1)	-	(9)	(21)	(35)
Exchange differences	(109)	(289)	(3)	(235)	(40)	(676)
At 31 March 2014	3,127	6,641	944	8,710	578	20,000
Depreciation						
At 1 April 2013	510	3,239	733	4,385	200	9,067
Charge in the year	125	433	64	750	156	1,528
Disposals	(3)	-	-	(1)	(3)	(7)
Exchange differences	(20)	(179)	(7)	(137)	(33)	(376)
At 31 March 2014	612	3,493	790	4,997	320	10,212
Net book amount at 31 March 2014	**2,515**	**3,148**	**154**	**3,713**	**258**	**9,788**
Net book amount at 31 March 2013	1,317	2,527	156	3,346	296	7,642

The net book value of fixed assets includes £177,000 (2013 - £258,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation was charged on these assets during the year of £65,000 (2013 - £61,000).

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 2013	571	3,414	5,063	89	9,137
Additions	58	95	1,088	-	1,241
Disposals	-	(20)	(15)	(14)	(49)
At 31 March 2014	629	3,489	6,136	75	10,329
Depreciation					
At 1 April 2013	260	2,359	2,718	54	5,391
Charge in the year	55	195	456	7	713
Eliminated on disposal	-	-	-	(7)	(7)
At 31 March 2014	315	2,554	3,174	54	6,097
Net book amount at 31 March 2014	**314**	**935**	**2,962**	**21**	**4,232**
Net book amount at 31 March 2013	311	1,055	2,345	35	3,746

The net book value of fixed assets includes £136,000 (2013 - £223,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation was charged on those assets during the year of £38,000 (2013 - £33,000).

10 Fixed asset investments

The group

	Shares in group undertakings £'000	Other investments unlisted £'000	Total £'000
Cost			
At 1 April 2013 and at 31 March 2014	-	15	15
Amounts written off			
At 1 April 2013 and at 31 March 2014	-	12	12
Net book amount at 31 March 2014 and at 31 March 2013	-	3	3
The company			
Cost			
At 1 April 2013 and at 31 March 2014	2,112	3	2,115

At 31 March 2014 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 Limited	England	100%	
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.

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	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**7,300**	5,753	**3,671**	2,463
Finished goods and goods for resale	**3,120**	2,150	**485**	437
	10,420	7,903	**4,156**	2,900

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

12 Debtors

	The group		The company	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Trade debtors	**15,747**	14,605	**2,420**	2,564
Amounts owed by parent undertaking	**13,172**	13,172	**13,172**	13,172
Amounts owed by other group undertakings	**-**	-	**11,276**	10,262
Other debtors	**2,667**	3,177	**559**	619
Prepayments and accrued income	**943**	720	**405**	329
	32,529	31,674	**27,832**	26,946

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

	The group		The company	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Amounts owed by parent undertaking	**13,172**	13,172	**13,172**	13,172
Amounts owed by other group	**-**	-	**-**	-
undertakings	**-**	-	**5,338**	7,144
	13,172	13,172	**18,510**	20,316

13 Creditors: amounts falling due within one year

	The group		The company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Bank overdraft	1,265	213	1,152	-
Bank loans	429	421	316	417
Trade creditors	5,897	4,039	4,441	3,180
Amounts owed to group undertakings	-	-	3,843	4,845
Corporation tax	968	656	20	-
Social security and other taxes	1,122	426	133	137
Other creditors	4,282	5,015	410	390
Net obligations under finance leases	97	92	63	71
Accruals and deferred income	2,587	1,871	1,954	1,460
	16,647	12,733	12,332	10,500

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.

14 Creditors: amounts falling due after more than one year

	The group		The company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Bank loans	-	315	-	314
Amounts owed to group undertakings	-	-	6,194	5,766
Net obligations under finance leases	36	105	16	79
	36	420	6,210	6,159

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

15 Borrowings

Borrowings are repayable as follows:

	The group		The company	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Within one year				
Bank loans and overdrafts	**1,694**	634	**1,468**	417
Finance leases	**97**	92	**63**	71
After one and within two years				
Bank loans	**-**	315	**-**	314
Finance leases	**36**	85	**16**	63
After two and within five years				
Finance leases	**-**	20	**-**	16
	1,827	1,146	**1,547**	881

16 Provision for liabilities and charges

Deferred tax

	The group	The company
	£'000	£'000
At 1 April 2013	179	-
(Credit)/charge for the year	(19)	45
Exchange difference	(13)	-
At 31 March 2014	147	45

Deferred taxation provided for represents:

	The group		The company	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Accelerated capital allowances	**313**	179	**201**	-
Other timing differences	**(15)**	-	**(15)**	-
Tax losses carried forward	**(151)**	-	**(151)**	-
	147	179	**45**	-

17 Share capital

	2014 £'000	2013 £'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 2013	8,942	30,914
Profit for financial year	-	6,359
Dividends paid	-	(988)
Translation differences	-	(1,980)
Actuarial gains on pension scheme	-	53
Deferred tax effect on actuarial gains on pension scheme	-	(11)
At 31 March 2014	**8,942**	**34,347**

The cumulative amount of goodwill written off directly to reserves is £3,254,793 (2013 - £3,254,793).

The company

	Share premium account £'000	Profit and loss account £'000
At 1 April 2013	8,942	11,165
Profit for financial year	-	962
Dividends paid	-	(988)
Actuarial gains on pension scheme	-	53
Deferred tax effect on actuarial gains on pension scheme	-	(11)
At 31 March 2014	**8,942**	**11,181**

19 Reconciliation of movement in consolidated shareholders' funds

	2014 £'000	2013 £'000
Profit for financial year	**6,359**	5,202
Dividends paid	**(988)**	(1,400)
	5,371	3,802
Translation differences	**(1,980)**	997
Other recognised gains and losses	**42**	(11)
Net movement in equity shareholders' funds	**3,433**	4,788
Opening shareholders' funds	**41,168**	36,380
Closing shareholders' funds	**44,601**	41,168

20 Contingent liabilities

The group had no contingent liabilities at 31 March 2014 or 31 March 2013.

21 Leasing commitments

Operating lease payments amounting to £1,870,000 (2013 - £1,539,000) are due within one year for the group and £507,000 (2013 - £526,000) are due within one year for the company. The leases to which these amounts relate expire as follows:

The group

	2014 Land and buildings £'000	2014 Other £'000	2013 Land and buildings £'000	2013 Other £'000
Leases which expire:				
Within one year	**525**	**40**	155	10
Between one and five years	**841**	**135**	515	78
In more than five years	**329**	**-**	757	24
	1,695	**175**	1,427	112

The company

	2014 Land and buildings £'000	2014 Other £'000	2013 Land and buildings £'000	2013 Other £'000
Leases which expire:				
Within one year	**-**	**15**	-	10
Between one and five years	**-**	**54**	-	78
In more than five years	**438**	**-**	438	-
	438	**69**	438	88

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 2013 using the projected unit method. The main assumptions adopted for pension cost purposes were:

CPI inflation	5.0% per annum
Pre-retirement discount rate	5.0% per annum
Post-retirement discount rate	5.0% per annum
Pension increases in payment	2.1 and 2.6% per annum

At 1 April 2013 the market value of the assets of the scheme was £3,935,000 which was sufficient to cover 91% of the benefits that had accrued to members.

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 (2013 - £200,000).

Following the last actuarial valuation, the trustees and company have agreed a recovery plan to address the funding shortfall. The company has agreed to pay annual contributions of £200,400 until 31 March 2018.

A full actuarial valuation of the defined benefit scheme was carried out at 1 April 2013 and has been updated to 31 March 2014 by a qualified independent actuary on a FRS 17 basis. The major assumptions used by the actuary at 31 March 2014 were:

Financial assumptions

	2014	2013	2012	2011	2010
	%	%	%	%	%
Rate of increase in salaries	**n/a**	n/a	4.00	4.00	4.30
Rate of increase for pensions in payment	**2.40**	2.50	2.40	2.70	3.70
Discount rate	**4.60**	4.70	4.90	5.50	5.50
Inflation assumption – RPI	**3.50**	3.60	3.50	3.50	3.80
Inflation assumption – CPI	**2.50**	2.60	2.50	2.50	2.80
Revaluation rate for deferred pensioners	**2.50**	2.60	2.50	2.80	3.80

Pensions (continued)

Demographic assumptions

	2014	2013
Mortality (pre-retirement)	**AC00**	AMC00
Mortality (post retirement)	**S1PXA (yob)**	PCA00mc (yob)

Life expectancy	**2014 Males**	**2014 Females**	2013 Males	2013 Females
Current 65 year old pensioner	**22.2 years**	**24.4 years**	23.4 years	25.3 years
At age 65 for a current 45 year old non-pensioner	**23.9 years**	**26.3 years**	25.1 years	27.3 years

The amounts recognised in profit or loss are as follows:

	2014 £'000	2013 £'000
Interest on obligation	**(215)**	(201)
Expected return on plan assets	**288**	242
Total	**73**	41

The difference between the interest on obligation and the expected return on plan assets is recognised within finance costs.

The amounts recognised in the consolidated balance sheet are as follows:

	2014 £'000	2013 £'000	2012 £'000
Fair value of plan assets	**4,394**	3,969	3,284
Present value of funded retirement benefit obligations	**(4,682)**	(4,583)	(4,125)
Deficit	**(288)**	(614)	(841)
Related deferred tax asset	**58**	141	202
Net pension liability	**(230)**	(473)	(639)

Pensions (continued)

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

	2014 Market value £'000	**2014** % of total scheme assets %	2013 Market value £'000	2013 % of total scheme assets %	2012 Market value £'000	2012 % of total scheme assets %
Equities	**3,705**	**85**	3,358	85	2,783	85
Gilts	**671**	**15**	594	15	484	15
Cash	**18**	**-**	17	-	17	-
	4,394		3,969		3,284	

The actual return on scheme assets was £268,000 (2013 - £544,000).

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

	2014 £'000	2013 £'000
Opening defined benefit obligation at start of year	**4,583**	4,125
Interest cost	**215**	201
Actuarial (gains)/losses	**(73)**	316
Benefits paid	**(43)**	(59)
Closing defined benefit obligation at end of year	**4,682**	4,583

Changes in the fair value of plan assets are as follows:

	2014 £'000	2013 £'000
Opening fair value of plan assets at start of year	**3,969**	3,284
Expected return	**288**	242
Employer contributions	**200**	200
Actuarial (losses)/gains	**(20)**	302
Benefits paid	**(43)**	(59)
Closing fair value of plan assets at end of year	**4,394**	3,969

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

	2014 £'000	2013 £'000
Actuarial gains/(losses)	**53**	(14)

The cumulative actuarial movement recognised in the statement of total recognised gains and losses was £952,000 deficit.

Pensions (continued)

Amounts for the current and previous four periods are as follows:

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	**4.394**	3,969	3,284	2,871	2,454
Present value of defined benefit obligation	**(4,682)**	(4,583)	(4,125)	(3,718)	(3,974)
Deficit in the plan	**(288)**	(614)	(841)	(847)	(1,520)
Experience adjustments arising on plan assets	**(20)**	302	(68)	53	606
Experience adjustments arising on plan liabilities	**(9)**	13	(20)	41	(99)

Defined contribution pension scheme

The group operates defined contribution pension arrangements. Employer contributions payable for the year into these schemes amounted to £318,799 (2013 - £280,022).

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 (2013 - £nil).

23 Capital commitments

The group

	2014	2013
	£'000	£'000
Contracted for but not provided	**1,593**	3,365

24 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 (2013 - £240,000) to the Contemporary Perfumers Limited Pension Scheme in respect of rent on the freehold property.

25 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.