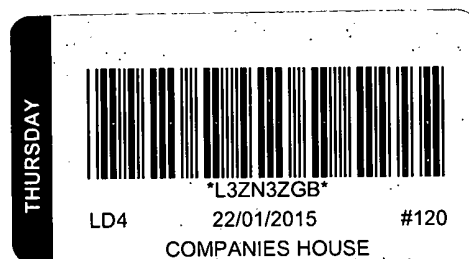


Company Registration No. 01322325

SENSIENT HOLDINGS UK

**Annual Report and Financial Statements
Year ended 31 December 2013**



SENSIENT HOLDINGS UK
Company Registration No. 01322325

REPORT AND FINANCIAL STATEMENTS 2013

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SENSIENT HOLDINGS UK
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REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

Directors

B M Conners
L C Watson

Secretary

Gravitas Company Secretarial Services Limited

Registered office

Bilton Road
Bletchley
Milton Keynes
Bucks
MK1 1HP

Solicitors

K&L Gates LLP
One New Change
London
EC4M 9AF

Auditor

Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

SENSIENT HOLDINGS UK
Company Registration No. 01322325

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Sensient Holdings UK acts as the holding company for the European operation of the flavours and colours activities of the Sensient Technologies Corporation group, of Milwaukee, Wisconsin, USA.

The company's key financial and other performance indicators during the year are as follows:

	2013	2012	Change
	£'000	£'000	%
Interest payable net of interest receivable	(187)	(149)	(26%)
Profit after tax	3,119	6,408	(51%)
Current assets as % of current liabilities	170%	99%	71%

Interest payable net of interest receivable increased by 26% as a result of the increasing LIBOR interest rate.

The company received dividends of £1,600,000 and £1,597,045 from its subsidiary undertakings, Sensient Colors UK Ltd and Sensient Flavours Belgium NV respectively (2012 £6,000,000 from Sensient Colors UK Limited and £280,000 from Sensient Technologies Limited) resulting in reduced profit after tax.

The company's "quick ratio" (current assets as a percentage of current liabilities) is higher due to the dividends received and a reduction in intergroup borrowings.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainty facing the company is liquidity risk.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term intercompany debt finance.

Approved by the Board of Directors
and signed on behalf of the Board



L C Watson
Director

| Date: January 13 2014 2015

SENSIENT HOLDINGS UK
Company Registration No. 01322325

DIRECTOR'S REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The profit after tax for the year of £3,119,287 (2012: £6,408,007) is dealt with in the profit and loss account on page 7.

The company declared and paid no interim dividends (2012 £6,000,000).

DIRECTORS

The directors who served during the year were as follows:

L C Watson

B M Conners

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

FUTURE DEVELOPMENTS

The company expects to continue to operate as a holding company with financing costs at similar market rates.

GOING CONCERN

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

REAPPOINTMENT OF AUDITOR

The auditor, Ernst & Young LLP, is deemed to be reappointed in accordance with section 485 of the Companies Act 2006 by virtue of an elective resolution passed by members on 9 September 1994.

Approved by the Board of Directors
and signed on behalf of the Board



L C Watson

Director

Date: January 13 2014 2015

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 the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSIENT HOLDINGS UK

We have audited the financial statements of Sensient Holdings UK for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (United Kingdom Generally accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 4, the directors are responsible for preparation of the financial statements and for being satisfied 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). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of the company'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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Ernst & Young LLP

Rachel Wilden (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Registered Auditor
Cambridge

Date: *20 January* 2015

SENSIENT HOLDINGS UK
Company Registration No. 01322325

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2013

	Note	2013 £	2012 £
Administrative expenses (net)		85,840	214,683
		<hr/>	<hr/>
OPERATING PROFIT	2	85,840	214,683
Income from fixed asset investments		3,197,045	6,280,000
Interest payable and similar charges	4	(209,244)	(202,875)
Interest receivable and similar income	5	22,482	54,323
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,096,123	6,346,131
Tax on profit on ordinary activities	6	23,464	61,876
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	12	3,119,587	6,408,007

All results derive from continuing operations.

There are no gains or losses during either the current or prior year, other than those presented in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.


SENSIENT HOLDINGS UK
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BALANCE SHEET
As at 31 December 2013

		2013	2012
		£	£
FIXED ASSETS			
Investments	7	27,217,631	27,217,631
CURRENT ASSETS			
Debtors	8	7,288,709	5,435,646
CREDITORS: amounts falling due within one year	9	<u>(4,238,322)</u>	<u>(5,504,846)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>3,050,387</u>	<u>(69,200)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		30,268,018	27,148,431
CREDITORS: amounts falling due after more than one year	10	(8,854,404)	(8,854,404)
NET ASSETS		<u>21,413,614</u>	<u>18,294,027</u>
CAPITAL AND RESERVES			
Called up share capital	11	10,000,000	10,000,000
Capital contribution	12	4,787,374	4,787,374
Profit and loss account	12	6,626,240	3,506,653
SHAREHOLDERS' FUNDS	12	<u>21,413,614</u>	<u>18,294,027</u>

These financial statements were approved by the Board of Directors on January 13 2014 2015

Signed on behalf of the Board of Directors


L C Watson

Director

SENSIENT HOLDINGS UK
Company Registration No. 01322325

NOTES TO THE ACCOUNTS
Year ended 31 December 2013

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

The financial statements are prepared under the historical cost convention.

Going Concern

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Group accounts

The company is a subsidiary of Sensient Technologies Corporation, a company incorporated in the United States of America. The company has therefore taken advantage of section 400 of the Companies Act 2006 not to prepare group financial statements. The financial statements therefore present information about the company only.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

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:

- 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 exchange

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

Cash flow statement

The company has taken advantage of the exemption not to prepare a cash flow statement under FRS 1 (Revised) as the company is a wholly owned subsidiary of Sensient Technologies Corporation which prepares consolidated financial statements that are publicly available.

SENSIENT HOLDINGS UK
Company Registration No. 01322325

NOTES TO THE ACCOUNTS
Year ended 31 December 2013

2. OPERATING PROFIT

	2013 £	2012 £
Operating profit is after charging/(crediting):		
Reduction in impairment provision of fixed asset investments	-	(318,695)
Foreign exchange (gain)/loss	(85,840)	104,012

The auditor's remuneration for the audit of the financial statements has been borne by a fellow group company in both the current and the preceding year.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013 £	2012 £
Directors' emoluments		
Directors' remuneration	-	-
Pension contributions to money purchase schemes	-	-

	2013 No.	2012 No.
Number of directors who received shares in respect of qualifying services	-	-
Number of directors who exercised share options	-	-
Number of directors accruing benefits under a defined benefit pension scheme*	-	-

Number of directors accruing benefits under a money purchase scheme*	2	2
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* Costs associated with these Schemes are borne by other group undertakings.

A fellow subsidiary undertaking, Sensient Colors UK Ltd, was charged a management fee of £362,446 (2012: £334,938) in respect of UK administration costs by Sensient Technologies Corporation, the company's ultimate parent company, which includes directors' remuneration for 2 (2012: 2) of the company's directors which it is not possible to identify separately.

The company had no employees in either the current or the prior year and hence no staff costs.

SENSIENT HOLDINGS UK
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NOTES TO THE ACCOUNTS
Year ended 31 December 2013

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Intercompany interest payable	209,154	202,804
Other interest payable	90	71
	<u>209,244</u>	<u>202,875</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Intercompany interest receivable	22,482	54,286
Other interest receivable	-	37
	<u>22,482</u>	<u>54,323</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Tax on profit on ordinary activities

The tax credit is made up as follows:

	2013	2012
	£	£
United Kingdom Corporation tax	(23,464)	(61,876)
Adjustment in respect of prior periods	-	-
Tax on profit on ordinary activities	<u>(23,464)</u>	<u>(61,876)</u>

b) Factors affecting the current tax credit

The tax assessed for the year is lower than the standard rate of corporation tax for the period: 23.25%
(2012: 24.5%)

The differences are reconciled below:

	2013	2012
	£	£
Profit on ordinary activities before tax	<u>3,096,123</u>	<u>6,346,131</u>
Tax at 23.25% (2012: 24.5%) thereon:	719,849	1,554,167
Effects of:		
Expenses not deductible for tax purposes	-	(78,071)
UK dividend income not taxable	(743,313)	(1,537,972)
Adjustment in respect of prior periods	-	-
Current tax credit for year	<u>(23,464)</u>	<u>(61,876)</u>

SENSIENT HOLDINGS UK
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NOTES TO THE ACCOUNTS
Year ended 31 December 2013

c) Deferred tax

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £27,292 (2012: £31,386). The asset would be recovered if suitable taxable profits were to arise in future periods against which the asset could reverse.

d) Factors that may affect the future tax charge

The main rate of corporation tax was reduced from 24% to 23% from 1 April 2013. The Financial Act 2013, enacted on 17 July 2013, reduced further the main rate of UK Corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015.

7. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries
	£
Costs	
At 1 January 2013	59,965,667
At 31 December 2013	<u>59,965,667</u>
Provisions for impairment in investments	
At 1 January 2013	32,748,036
Credit in the year	-
At 31 December 2013	<u>32,748,036</u>
Net book value	
At 31 December 2013	<u>27,217,631</u>
At 31 December 2012	<u>27,217,631</u>

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NOTES TO THE ACCOUNTS
Year ended 31 December 2013

7. INVESTMENTS HELD AS FIXED ASSETS (continued)

Interests in subsidiaries

The company owns directly (+) or indirectly 100% of the shares in the principal subsidiaries listed below:

* Only significant Pointing sub-group companies are listed.

Company	Main activities	Incorporated in
Sensient Flavors Limited	+ Manufacture and sale of flavouring ingredients for the food industry	Great Britain
Sensient Colors U.K. Limited	+ Manufacture and sale of colours	Great Britain
Sensient Technologies Limited	+ Holds loan notes	Great Britain
Sensient Flavors Belgium N.V.	Manufacture and sale of flavouring ingredients for the food industry	Belgium
Biolux Finance S.A.	+ Holding company	Belgium
Promavil S.A	No longer trading	Belgium
* Pointing Holdings Limited	+ Holding company	Great Britain
* Pointing Limited	No longer trading	Great Britain
* Pointing International Limited	Intermediate holding company	Great Britain

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NOTES TO THE ACCOUNTS
Year ended 31 December 2013

8. DEBTORS

	2013	2012
	£	£
Loan notes owed by group companies	3,851,225	3,765,319
Amounts owed by group companies	3,437,484	1,557,153
Other debtors	-	113,174
	<u>7,288,709</u>	<u>5,435,646</u>

Loans Notes to group companies comprise:

An unsecured loan note of EUR 4,639,323 repayable on demand and interest is charged at LIBOR plus 0.25%

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Loans from group companies	-	1,672,974
Amounts owed to group companies	4,238,322	3,831,872
	<u>4,238,322</u>	<u>5,504,846</u>

Loans from group companies

The unsecured revolving credit of (£1,190,716) was reduced from £1,672,974 during the year at an interest rate of LIBOR plus 1/2%. This was also as a result of the dividend received, which effectively repaid the loan.

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NOTES TO THE ACCOUNTS
Year ended 31 December 2013

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Loans - from group companies	<u>8,854,404</u>	<u>8,854,404</u>

An unsecured loan of £8,854,404 repayable in 31 March 2014 was extended indefinitely in 2 yearly intervals. The loan has been re-classified therefore as long term, interest was charged at LIBOR plus 1/2%.

Repayable as follows:-

	2013 £	2012 £
Between one and two years	8,854,404	8,854,404
	<u>8,854,404</u>	<u>8,854,404</u>

11. ALLOTTED AND ISSUED SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid		
10,000,000 (2012:10,000,000) ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

SENSIENT HOLDINGS UK
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NOTES TO THE ACCOUNTS
Year ended 31 December 2013

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND RESERVES

	Share capital £	Capital Contribution	Profit and loss account £	Total £
At 1 January 2012	10,000,000	4,787,374	3,098,646	17,886,020
Profit for the year	-	-	6,408,007	6,408,007
Dividend paid	-	-	(6,000,000)	(6,000,000)
At 1 January 2013	10,000,000	4,787,374	3,506,653	18,294,027
Profit for the year	-	-	3,119,587	3,119,587
Dividend paid	-	-	-	-
At 31 December 2013	10,000,000	4,787,374	6,626,240	21,413,614

13. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling entity is Sensient Technologies Corporation. The immediate parent company is Sensient Technologies Holding Company LLC. Both companies are incorporated in the United States of America. The financial statements of the ultimate parent company, which is the largest and smallest group that prepares consolidated accounts, are filed at the Securities and Exchange Commission, Washington DC.

14. RELATED PARTIES

The company has taken exemption, under paragraph 3 (c) of FRS 8, from reporting transactions with other group companies wholly owned by Sensient Technologies Corporation.