

Company Registration No. 02170560 (England and Wales)

**AROMATIC FLAVOURS & FRAGRANCES
EUROPE LIMITED**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

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AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | C Fanous M Fanous |
| Secretary | C Fanous |
| Company number | 02170560 |
| Registered office | AFF House Station Road Elmswell Bury St Edmunds Suffolk IP30 9HD |
| Accountants | RSM UK Tax and Accounting Limited Chartered Accountants Abbotsgate House Hollow Road Bury St Edmunds Suffolk IP32 7FA |

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

| | Notes | 2016 £ | £ | 2015 £ | £ |
|--|-------|--------------------|----------------|--------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 3 | | 780,910 | | 554,830 |
| Current assets | | | | | |
| Stocks | | 405,211 | | 464,880 | |
| Debtors | 4 | 984,066 | | 832,790 | |
| Cash at bank and in hand | | 128,474 | | 65,525 | |
| | | <u>1,517,751</u> | | <u>1,363,195</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(1,509,576)</u> | | <u>(1,412,924)</u> | |
| Net current assets/(liabilities) | | | 8,175 | | (49,729) |
| Total assets less current liabilities | | | 789,085 | | 505,101 |
| Creditors: amounts falling due after more than one year | 6 | | (37,459) | | (55,949) |
| Provisions for liabilities | | | (60,017) | | - |
| Net assets | | | <u>691,609</u> | | <u>449,152</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 3,000 | | 3,000 |
| Share premium account | | | 8,000 | | 8,000 |
| Revaluation reserve | | | 336,592 | | 122,519 |
| Profit and loss reserves | | | 344,017 | | 315,633 |
| Total equity | | | <u>691,609</u> | | <u>449,152</u> |

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

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

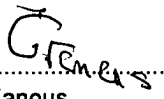
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 10/5/17
and are signed on its behalf by:


.....
C Fanous
Director

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

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

Accounting convention

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

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

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

These financial statements are the first financial statements of Aromatic Flavours & Fragrances Europe Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Aromatic Flavours & Fragrances Europe Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 13.

Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Tangible fixed assets

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

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

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

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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Impairment of fixed assets

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

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

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

Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and other loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

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

Derivatives

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

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

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Taxation

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

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

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Employee benefits

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

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

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

Retirement benefits

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

Leases

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

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Foreign exchange

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

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

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 30 (2015 - 38).

3 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|------------------------------------|-----------------------|-------------------------------|-----------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1 January 2016 | 510,869 | 499,518 | 1,010,387 |
| Additions | 4,857 | 14,718 | 19,575 |
| Revaluation | 134,274 | - | 134,274 |
| At 31 December 2016 | 650,000 | 514,236 | 1,164,236 |
| Depreciation and impairment | | | |
| At 1 January 2016 | 92,761 | 362,795 | 455,556 |
| Depreciation charged in the year | 8,459 | 20,531 | 28,990 |
| Revaluation | (101,220) | - | (101,220) |
| At 31 December 2016 | - | 383,326 | 383,326 |
| Carrying amount | | | |
| At 31 December 2016 | 650,000 | 130,910 | 780,910 |
| At 31 December 2015 | 418,108 | 136,722 | 554,830 |

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

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Tangible fixed assets (Continued)

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

| | 2016 £ | 2015 £ |
|--------------------------|----------------|----------------|
| Cost | 361,788 | 356,931 |
| Accumulated depreciation | (65,728) | (59,687) |
| Carrying value | <u>296,060</u> | <u>297,244</u> |

The revaluation surplus is disclosed in note 10.

4 Debtors

| | 2016 £ | 2015 £ |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 932,537 | 765,607 |
| Corporation tax recoverable | 7,300 | 7,296 |
| Other debtors | 44,229 | 40,696 |
| | <u>984,066</u> | <u>813,599</u> |
| Deferred tax asset | - | 19,191 |
| | <u>984,066</u> | <u>832,790</u> |

5 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts | 363,564 | 508,231 |
| Trade creditors | 581,516 | 347,723 |
| Other taxation and social security | 68,720 | 75,078 |
| Other creditors | 495,776 | 481,892 |
| | <u>1,509,576</u> | <u>1,412,924</u> |

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Creditors: amounts falling due after more than one year

| | 2016 £ | 2015 £ |
|---------------------------|-----------|-----------|
| Bank loans and overdrafts | 37,459 | 55,949 |

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

| | | |
|------------------------|-------|--------|
| Payable by instalments | 5,744 | 14,032 |
|------------------------|-------|--------|

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

7 Financial instruments

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | 4,568 | - |

8 Provisions for liabilities

| | 2016 £ | 2015 £ |
|--------------------------|-----------|-----------|
| Deferred tax liabilities | 60,017 | - |
| | 60,017 | - |

9 Called up share capital

| | 2016 £ | 2015 £ |
|-------------------------------|-----------|-----------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 3,000 Ordinary of £1 each | 3,000 | 3,000 |

10 Revaluation reserve

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| At beginning of year | 122,519 | 146,352 |
| Revaluation surplus arising in the year | 235,494 | - |
| Deferred tax on revaluation of tangible assets | (21,421) | 1,407 |
| Other movements | - | (25,240) |
| At end of year | 336,592 | 122,519 |

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Operating lease commitments

Lessee

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

| | 2016 £ | 2015 £ |
|-----------------|-----------|-----------|
| Within one year | 37,263 | 61,803 |

12 Related party transactions

Transactions with related parties

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

| | Sale of goods | | Purchase of goods | |
|-----------------------|---------------|-----------|-------------------|-----------|
| | 2016 £ | 2015 £ | 2016 £ | 2015 £ |
| Other related parties | 49,312 | 57,178 | 40,314 | 4,945 |

The following amounts were outstanding at the reporting end date:

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Amounts owed to related parties | | |
| Other related parties | 37,708 | 4,945 |
| | 37,708 | 4,945 |

The following amounts were outstanding at the reporting end date:

| | 2016 Balance £ |
|--|----------------------|
| Amounts owed by related parties | |
| Other related parties | 3,526 |
| | |
| | 2015 Balance £ |
| Amounts owed in previous period | |
| Other related parties | 17,066 |

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

AROMATIC FLAVOURS & FRAGRANCES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Reconciliations on adoption of FRS 102

Reconciliation of equity

| | Notes | 1 January 2015 £ | 31 December 2015 £ |
|---|-------|------------------------|--------------------------|
| Equity as reported under previous UK GAAP | | 680,603 | 451,173 |
| Adjustments arising from transition to FRS 102: | | | |
| Deferred tax | 1 | (3,428) | (2,021) |
| Equity reported under FRS 102 | | <u>677,175</u> | <u>449,152</u> |

Reconciliation of loss for the financial period

| | | 2015 £ |
|---|---|-----------|
| Loss as reported under previous UK GAAP and under FRS 102 | | (229,430) |
| Deferred tax | 1 | <u>-</u> |

Notes to reconciliations on adoption of FRS 102

(1) Adjustments to deferred tax

Under FRS102, the Company has recognised deferred tax associated with potential future capital gains on its land and buildings. The related deferred tax provision at 31 December 2016 is £23,442. Deferred tax movements of £21,421 (2015: £1,407) have gone through the revaluation reserve and other comprehensive income.

(2) Director's loan account

As part of the transition to FRS102, directors have reassessed the aging of director's loan account balances. A £300,000 loan which was previously included in amounts falling due after more than one year has been reclassified as due within one year.