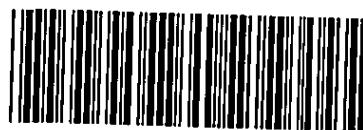


Frutarom (UK) Limited
Annual report and financial statements
for the year ended 31 December 2008

Registered Number 02628890

SATURDAY



AA2MWCM2

A48

22/08/2009

46

COMPANIES HOUSE

Frutarom (UK) Limited

Annual report and financial statements

for the year ended 31 December 2008

Contents

Directors and advisers for the year ended 31 December 2008	1
Directors' report for the year ended 31 December 2008	2
Independent auditors' report to the members of Frutarom (UK) Limited	4
Profit and loss account for the year ended 31 December 2008.....	6
Balance sheet as at 31 December 2008	7
Statement of accounting policies.....	8
Notes to the financial statements for the year ended 31 December 2008	11

Frutarom (UK) Limited

Directors and advisers for the year ended 31 December 2008

Directors

Mr Ori Yehudai

Mr Alon Granot

Mr Roy Neuman

Company secretary

Mrs Nicola Blanshard

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Registered Office

Belasis Avenue

Billingham

Teesside

TS23 1LQ

Registered Number

02628890

Frutarom (UK) Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activities

The principal activity of the company continued to be that of the manufacture and distribution of flavours and raw materials for the flavours and fragrance industries. The company has two production sites in the UK and branches in France and Hong Kong.

Review of the business

The results for the company show a profit for the financial year of £2,079,932 (2007: loss of £427,605). The company does not propose payment of a dividend (2007: £nil).

Future outlook

The company is structured and positioned in such a manner that will enable it to meet the demands of its markets and business environment and, consequently, the directors are optimistic about the future prospects of the company.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks affecting the company are considered to relate to competition, the availability of key skills and the global economic environment.

Financial risk management

The financial risk management policies are managed at a parent company level. Due to the simplicity of the company's operations further disclosure is not required in the financial statements of the company.

Post balance sheet events

Subsequent to the year end the company acquired the trade and assets of Oxford Chemicals Limited. At the date of signing these accounts the acquisition was complete.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

Mr Ori Yehudai

Mr Alon Granot

Mr Roy Neuman (Appointed 30 July 2009)

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

Frutarom (UK) Limited

Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Independent auditors

PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Roy Neuman
Director



19th August 2009

Alon Granot
Director



19th August 2009

Frutarom (UK) Limited

Independent auditors' report to the members of Frutarom (UK) Limited

We have audited the financial statements of Frutarom (UK) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report and the directors and advisers page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Frutarom (UK) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

21 August 2009

Frutarom (UK) Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	1	29,930,415	24,276,204
Cost of sales		(14,006,465)	(12,506,535)
Gross profit		15,923,950	11,769,669
Distribution costs		(1,458,427)	(1,182,801)
Administrative expenses		(9,881,962)	(9,976,058)
Other operating income	2	126,821	307,903
Operating profit	3	4,710,382	918,713
Loss on disposal of fixed assets		(687,547)	-
Restructuring charges	5	-	(763,158)
Interest receivable and similar income	6	13,623	6,460
Interest payable and similar charges	6	(887,991)	(634,788)
Profit/(loss) on ordinary activities before taxation		3,148,467	(472,773)
Tax on profit/(loss) on ordinary activities	7	(1,068,535)	45,168
Profit/(loss) for the financial year	18	2,079,932	(427,605)

All results relate to continuing activities.

There are no material differences between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

There are no other recognised gains and losses other than the results reported above. Therefore, a statement of total recognised gains and losses has not been prepared.

Frutarom (UK) Limited

Balance sheet as at 31 December 2008

	Note	2008	2007
		£	£
Fixed assets			
Intangible assets	8	8,785,931	9,021,913
Tangible assets	9	4,839,762	5,805,547
Investments	10	11,911,974	11,911,974
		25,537,667	26,739,434
Current assets			
Stock	11	5,239,460	4,922,115
Debtors	12	6,762,931	6,882,067
Cash at bank and in hand		3,854,647	265,391
		15,857,038	12,069,573
Creditors: amounts falling due within one year	13	(8,289,111)	(15,252,389)
Net current assets/(liabilities)		7,567,927	(3,182,816)
Total assets less current liabilities		33,105,594	23,556,618
Creditors: amounts falling due after more than one year	14	(21,753,490)	(14,172,365)
Provisions for liabilities	16	(412,520)	(524,601)
Net assets		10,939,584	8,859,652
Capital and reserves			
Called up share capital	17	4,001,000	4,001,000
Share premium account	18	249,000	249,000
Profit and loss account	18	6,689,584	4,609,652
Total shareholders' funds	19	10,939,584	8,859,652

The financial statements on pages 6 to 22 were approved by the board of directors on 19th August 2009 and were signed on its behalf by:

Alon Grano
Director

Roy Neuman
Director

Frutarom (UK) Limited

Statement of accounting policies

Accounting convention

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The accounting policies have been consistently applied throughout the year.

Turnover

Turnover comprises the sales value (excluding value added tax) of goods and services supplied in the normal course of business. Sales are recognised when goods are despatched.

Other operating income

Commission is recognised when the company becomes entitled to its receipt.

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 that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that they are considered more likely than not to be recoverable in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the 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 an undiscounted basis.

Tangible fixed assets

Fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated so as to write off the cost of the tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The useful economic lives estimated for this purpose are:

Freehold buildings	2% - 3% per annum
Freehold land	undepreciated
Leasehold improvements	over the period of the lease
Plant and machinery	10% per annum
Motor vehicles	20% per annum
Furniture, fixtures and fittings	10% - 33.3% per annum

Assets in the course of construction are not depreciated until they are brought into use.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Frutarom (UK) Limited

Goodwill and intangible assets

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Under the accounting standard FRS10 (Goodwill and Intangible Assets), goodwill arising on acquisitions after 1 May 1998 has been capitalised and is being amortised over a period as disclosed below, being the period expected to benefit. In accordance with the company's accounting policy prior to FRS10, goodwill arising on acquisitions prior to 30 April 1998, has been written off to reserves. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Goodwill in connection with the acquisition of the two divisions of CPL Aromas Limited in 2001, is being written off evenly over its estimated useful life of 20 years.

Goodwill in connection with the acquisition of the trade and assets of Belmay Limited and Jupiter Flavours Limited is being written off evenly over its estimated useful life of 20 years.

'Formulae', being the amount paid in connection with the acquisition of a business in 1991, was written off evenly over its useful economic life of 10 years.

'Know how', being the amount paid in connection with the acquisition of the two divisions from CPL Aromas Limited in 2001, which relates partly to formulae purchased, is being written off evenly over its estimated useful life of 20 years. The amount paid in connection with the acquisition of trade and assets from Rayner & Company Limited, is being written off evenly over its estimated useful life of 5 years.

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Costs in respect of operating leases are charged to profit and loss in equal amounts over the lease term.

Pensions

The company made contributions to a group personal pension plan, which is a defined contribution scheme. All contributions paid are charged against trading profits in the year in which they arise.

Stock

Stocks are stated at the lower of cost and net realisable value. The cost of work in progress and finished goods comprises direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate

Government grants

Government grants are credited to deferred income and are released to profit over the life of the project to which they relate.

Frutarom (UK) Limited

Related party disclosures

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of Financial Reporting Standard 8 ('Related Party Disclosures') on the grounds that it is a wholly owned subsidiary of a group headed by Frutarom Industries Limited, whose accounts are publicly available.

Cash flow statement

The cash flows of the company are included in the consolidated cash flow statement of the ultimate parent company Frutarom Industries Limited. Consequently the company has taken advantage of the exemption available in Financial Reporting Standard No 1 (Revised 1996) from the requirement to publish a cash flow statement.

Basis of consolidation

The company is a wholly-owned subsidiary of Frutarom Industries Limited and is included in the consolidated financial statements of Frutarom Industries Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 228a of the Companies Act 1985.

Frutarom (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

1 Turnover

The turnover and profit before taxation are all attributable to the principal activities of the company and originate within the UK.

Geographical analysis of turnover by destination is as follows:

	2008	2007
	£	£
United Kingdom	18,549,608	15,774,715
Other Europe	3,999,629	2,603,113
Far East	3,576,301	2,905,639
Americas	1,441,233	1,084,908
Rest of World	2,363,644	1,907,829
	29,930,415	24,276,204

Turnover has not been disclosed by class of business as the directors believe this would be seriously prejudicial to the business.

2 Other operating income

	2008	2007
	£	£
Commission received	126,821	307,903

Frutarom (UK) Limited

3 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets		
- owned assets	525,323	612,861
- under finance leases	10,800	3,600
Amortisation of intangible assets	516,274	542,302
Profit on disposal of fixed assets	(32,675)	(9,545)
Hire of machinery and equipment	59,315	65,285
Other operating lease rentals	341,187	354,666
Government grant released	(15,400)	(15,400)
Foreign exchange gains	(989,871)	(26,289)
Auditors' remuneration		
- Audit services	43,405	48,042
- Non audit services	12,375	12,786

4 Directors' emoluments

	2008	2007
	£	£
Aggregate emoluments	-	89,297
Pension contributions to a money purchase pension scheme	-	40,075
	-	129,372

Benefits are accruing on behalf of no directors (2007: 1) in respect of the money purchase pension scheme.

Frutarom (UK) Limited

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was 156 (2007: 183).

	2008	2007
Manufacturing	77	90
Research and development	31	40
Sales and marketing	21	25
Administration	27	28
	156	183

	2008 £	2007 £
Staff costs for the above persons		
Wages and salaries	4,615,895	4,906,688
Social security costs	511,983	444,639
Other pension costs (note 21)	377,836	282,109
	5,505,714	5,633,436

Wages and salaries include £33,163 (2007: £763,158) of redundancy costs relating to staff acquired with the trade of Belmay Limited.

6 Interest

	2008 £	2007 £
Interest receivable and similar income		
Bank interest	12,511	3,522
Other interest	1,112	2,938
	13,623	6,460
Interest payable and similar charges		
Bank overdraft	2,050	-
Bank loan interest	695,754	483,538
Finance charges - finance lease	2,138	125
Interest on amounts owed to parent undertakings	188,049	151,125
	887,991	634,788

Frutarom (UK) Limited

7 Tax on profit/(loss) on ordinary activities

(a) Analysis of charge/(credit) in the year

	2008	2007
	£	£
Current tax		
UK Corporation tax	1,167,531	(5)
Foreign tax charge	13,085	2,289
Prior year adjustment	-	(12,058)
Total current tax	1,180,616	(9,774)
Deferred tax		
Origination and reversal of timing differences	(112,081)	(35,394)
Total deferred tax (note 16)	(112,081)	(35,394)
Total tax on profit/(loss) on ordinary activities	1,068,535	(45,168)

(b) Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher (2007: higher) than the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below.

	2008	2007
	£	£
Profit/(loss) on ordinary activities before tax	3,148,467	(466,751)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	897,313	(140,025)
<i>Effects of:</i>		
Expenses not deductible for tax and other permanent differences	(30,499)	133,555
Accelerated capital allowances and other timing differences	300,717	6,465
Foreign tax charge	13,085	2,289
Prior year adjustment	-	(12,058)
Current tax charge/(credit) for the year	1,180,616	(9,774)

(c) Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

Frutarom (UK) Limited

8 Intangible assets

	Goodwill £	Formulae £	Know how £	Total £
Cost				
At 1 January 2008	7,400,472	74,810	4,197,430	11,672,712
Additions	255,724	-	-	255,724
Transfer from tangibles	-	-	24,567	24,567
At 31 December 2008	7,656,196	74,810	4,221,997	11,953,003
Accumulated amortisation				
At 1 January 2008	341,054	74,810	2,234,935	2,650,799
Charge for the year	352,589	-	163,684	516,273
At 31 December 2008	693,643	74,810	2,398,619	3,167,072
Net book amount				
At 31 December 2008	6,962,553	-	1,823,378	8,785,931
At 31 December 2007	7,059,418	-	1,962,495	9,021,913

Additions to goodwill, relates to the reassessment of the net assets acquired in the prior year in respect of the Belmay and Jupiter acquisition. This has resulted in further goodwill of £255,724 being recognised on this acquisition.

Frutarom (UK) Limited

9 Tangible assets

	Freehold land and buildings £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Furniture, fixture and fittings £	Assets under construction £	Total £
Cost							
At 1 January 2008	2,814,260	1,804,121	4,055,029	42,318	1,204,284	66,455	9,986,467
Transfer to intangibles	-	-	-	-	(24,567)	-	(24,567)
Additions	5,900	205,326	51,666	-	60,430	-	323,322
Disposals	-	(1,129,618)	(1,126,782)	(35,382)	(309,432)	-	(2,601,214)
At 31 December 2008	2,820,160	879,829	2,979,913	6,936	930,715	66,455	7,684,008
Depreciation							
At 1 January 2008	185,092	535,040	2,543,706	6,319	910,763	-	4,180,920
Charge for the year	37,028	65,269	344,969	9,170	79,687	-	536,123
Disposals	-	(600,309)	(947,798)	(13,947)	(310,743)	-	(1,872,797)
At 31 December 2008	222,120	-	1,940,877	1,542	679,707	-	2,844,246
Net book amount							
At 31 December 2008	2,598,040	879,829	1,039,036	5,394	251,008	66,455	4,839,762
At 31 December 2007	2,629,168	1,269,081	1,511,323	35,999	293,521	66,455	5,805,547

The net book amount of tangible fixed assets includes an amount of £33,300 (2007: £57,494) in respect of assets held under finance lease and hire purchase contracts.

Frutarom (UK) Limited

10 Investments

	Shares in group companies £
Cost and net book value at 31 December 2007 and 31 December 2008	11,911,974

At 31 December 2008 the company had the following subsidiaries:

Name of undertaking	Country of incorporation	Principal activity	Proportion of ordinary shares
Frutarom Switzerland Limited	Switzerland	Manufacture of flavours	100%
Belmay Limited	UK	Manufacture of flavours	100%
Jupiter Flavours Limited	UK	Manufacture of flavours	100%

11 Stock

	2008 £	2007 £
Raw materials and consumables	3,605,399	3,591,974
Work in progress	111,844	20,578
Finished goods and goods for resale	1,522,217	1,309,563
	5,239,460	4,922,115

Frutarom (UK) Limited

12 Debtors

	2008	2007
	£	£
Trade debtors	5,398,729	5,150,998
Amounts owed by group undertakings	898,685	1,039,926
VAT recoverable	114,814	250,203
Corporation tax refundable	-	104,122
Other debtors	62,806	74,003
Prepayments and accrued income	287,897	262,815
	6,762,931	6,882,067

13 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts (note 15)	1,910,000	9,448,210
Trade creditors	1,536,178	2,361,405
Amounts owed to group undertakings	1,808,776	1,496,112
Finance leases (note 15)	4,735	19,251
Corporation tax payable	642,701	-
Taxation and social security	492,827	530,350
Other creditors	26,023	109,461
Accruals and deferred income	1,867,871	1,287,600
	8,289,111	15,252,389

14 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Finance leases (note 15)	-	18,026
Bank loan	8,885,000	-
Amounts owed to parent undertaking (note 15)	12,868,490	14,154,339
	21,753,490	14,172,365

Frutarom (UK) Limited

15 Loans and other borrowings

	2008	2007
	£	£
Finance leases	4,735	37,277
Bank loans	10,795,000	9,448,210
Amounts owed to parent undertaking	12,868,490	14,154,339
	23,668,225	23,639,826
Maturity of financial liabilities		
Less than 1 year	1,914,735	9,467,461
1 to 2 years	1,910,000	364,406
2 to 5 years	9,275,000	3,239,469
More than 5 years	10,568,490	10,568,490
	23,668,225	23,639,826

Finance leases

Future minimum payments under finance leases are as follows:

	2008	2007
	£	£
Within one year	5,195	21,319
In more than one year, but not more than five years	-	19,962
Total gross payments	5,195	41,281
Less finance charges included above	(460)	(4,004)
	4,735	37,277

Amounts owed to parent undertaking

£350,000 (2007: £350,000) falls due within five years and bears interest at a rate of 1% above LIBOR.

£1,950,000 (2007: £3,235,849) falls due within five years and bears interest at a rate of 0.44% above LIBOR.

£10,568,490 (2007: £10,568,490) falls due in more than five years and is interest-free.

All amounts owed to the parent undertaking are unsecured.

Bank loans

At the end of 2007 the company had short term bank loans of £9,448,210 in place to finance the acquisition of both Belmay Limited and Jupiter Limited. During 2008 these have been refinanced with the short term bank loans being replaced by long term bank loans with an agreed repayment plan over a five year period. The details of the loans in place at the end of 2008 are set out below.

Frutarom (UK) Limited

At the 31 December 2008 the company had two separate loans in place. The amounts outstanding on these loans were £8,000,000 and £2,795,000 respectively. Both of these loans are repayable in instalments with the full outstanding balance repayable on the 30 June 2012.

Interest on both of the loans is payable at $\text{libor} + 1\%$. The loans are secured by a corporate guarantee.

16 Provisions for liabilities

Deferred taxation as at 31 December 2008 analysed below:

	2008	2007
	£	£
Excess of accelerated capital allowances over depreciation	412,520	524,601

The movement on the deferred tax provision is as follows:

	£
Balance at 1 January 2008	524,601
Credit to the profit and loss account (note 7)	(112,081)
Balance at 31 December 2008	412,520

17 Called up share capital

	2008	2007
	£	£
Authorised, allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
4,000,000 ordinary "A" shares of £1 each	4,000,000	4,000,000
	4,001,000	4,001,000

Ordinary "A" shares may be redeemed at any time, at the company's option, in whole or in part, at the "A" Ordinary Shares Redemption Price. The shares rank *pari passu* in all aspects with the ordinary shares of the company.

Frutarom (UK) Limited

18 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2008	249,000	4,609,652
Profit for the financial year	-	2,079,932
At 31 December 2008	249,000	6,689,584

19 Reconciliation of movements in total shareholders' funds

	2008	2007
	£	£
Profit/(loss) for the financial year	2,079,932	(427,605)
Opening shareholders' funds	8,859,652	9,287,257
Closing shareholders' funds	10,939,584	8,859,652

20 Financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2008		2007	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	-	25,184	13,114	7,216
Within two to five years	9,132	99,453	9,132	164,296
After five years	220,000	-	220,000	-
	229,132	124,637	242,246	171,512

Frutarom (UK) Limited

21 Pension contributions

The pension cost charge represents contributions made to the group pension plan of £377,836 (2007: £271,702). Other pension costs paid in the year amount to £nil (2007: £10,407), to non-UK schemes.

22 Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Frutarom Limited, a company incorporated in Israel. Frutarom Limited is the immediate controlling party.

The ultimate parent company and controlling party is Frutarom Industries Limited. Copies of the group financial statements may be obtained from the company secretary at:

Frutarom Industries Limited
25 Hashaish Street
POB 10067
Haifa 26110
Israel

23 Post balance sheet events

Subsequent to the year end the company acquired the trade and assets of Oxford Chemicals Limited. At the date of signing these accounts the acquisition was complete.