

Unique Ingredients Limited

(Registered number: 03419087)

Directors' Report and Financial Statements

Period ended 31 December 2016

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DIRECTORS AND OTHER INFORMATION

Board of Directors at

Amos Anatot (appointed 25 August 2016)
Alon Shmuel Granot (appointed 25 August 2016)
Ori Yehudi (appointed 25 August 2016)

Bankers

Lloyds Bank plc
George Row
Northampton
BX1 1LT

Secretary and Registered Office

Karen Jane Russell (appointed 25 August 2016)
5 Whittle Close
Drayton Fields Industrial Estate
Daventry
Northamptonshire
NN11 8RQ

Solicitor

William Fry Solicitors
Fitzwilton House
Wilton Place
Dublin 2
Ireland

Registered Number: 03419087

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Cornmarket
Wexford
Ireland

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the 8 month period ended 31 December 2016.

Principal activities

The company's principal activity continues to be the sale and marketing of food ingredients to the food processing industry.

Review of business and future developments

The directors were satisfied with the level of business and the period end financial position. The directors anticipate that the company will continue to generate a profit from its trading activities for the foreseeable future.

In accordance with Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company is exempt from preparing a Strategic Report.

Results

The profit for the period is £730,727 (30 April 2016: £1,009,577). The company has net assets of £863,958 as at 31 December 2016 (30 April 2016: £629,832). An interim dividend of £496,601 (30 April 2016: £2,550,000) was paid during the period.

Principal risks, uncertainties and financial risk management

The key business risks and uncertainties affecting the company are considered to relate to competition from other food ingredient distributors and foreign currency fluctuations.

Financial risk management

The company bears a limited degree of market risk and credit risk.

Credit risk

The company has implemented procedures that require customers to demonstrate ability to pay before selling on credit terms. The amount of exposure to any individual party is subject to a limit, which is continually reassessed.

Deposits with banks and financial institutions are only held in independently rated parties with strong credit ratings.

Market Risk

The company's customer base includes food processing companies and wholesalers. The company has been successful in growing market share. However customer demand may decrease for a number of reasons outside the control of the company. In particular reductions in customer demand may arise from decisions of key customers to move operations outside of the UK.

Competitive Risk

The food ingredients market is highly competitive. Competitors continually introduce new products. While current data concerning market share remains encouraging there can be no assurance regarding demand for the company's products and services in the future.

Key performance indicators

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

Directors

The names of the persons who were directors at any time during the period ended 31 December 2016 and up to the date of approval of the financial statements, are set out below. Unless indicated otherwise they served as directors for the entire period.

Kieran Fox (resigned 25 August 2016)

David Gott (resigned 25 August 2016)

Amos Anatot (appointed 25 August 2016)

Alan Shmuel Granot (appointed 25 August 2016)

Ori Yehudi (appointed 25 August 2016)

DIRECTORS' REPORT - continued

Directors' responsibilities statement

The directors are responsible for preparing the strategic report and the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events since the end of the financial period.

Independent auditors

The auditors, PricewaterhouseCoopers, were appointed during the period and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Director

Date:


27/10/17



Independent auditors' report to the members of Unique Ingredients Limited

Report on the financial statements

Our opinion

In our opinion, Unique Ingredients Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the 8 month period (the "period") 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.
-

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.


Billy Sweetman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Wexford, Ireland
27 October 2017

PROFIT AND LOSS ACCOUNT

For the financial period ended 31 December 2016

	Notes	8 month period ended 31 December 2016 £	12 month period ended 30 April 2016 £
Turnover	5	3,033,596	3,849,204
Cost of sales		<u>(1,648,525)</u>	<u>(2,160,262)</u>
Gross profit		1,385,071	1,688,942
Administrative expenses		<u>(478,891)</u>	<u>(457,979)</u>
Profit on ordinary activities before taxation	6	906,180	1,230,963
Tax on profit on ordinary activities	8	<u>(175,453)</u>	<u>(221,386)</u>
Profit for the financial period		<u>730,727</u>	<u>1,009,577</u>

Turnover and operating profit arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the profit and loss account, and therefore no separate statement of other comprehensive income has been presented.

BALANCE SHEET
As at 31 December 2016

	Notes	31 December 2016 £	30 April 2016 £
Fixed assets			
Tangible assets	9	26,842	35,466
		<u>26,842</u>	<u>35,466</u>
Current assets			
Stock	10	355,260	365,242
Debtors	11	495,775	417,305
Cash at bank and in hand		361,584	710,360
		<u>1,212,619</u>	<u>1,492,907</u>
Creditors - amounts falling due within one year	12	<u>(375,503)</u>	<u>(897,878)</u>
Net current assets		<u>837,116</u>	<u>595,029</u>
Total assets less current liabilities		863,958	630,495
Provision for liabilities – deferred taxation	13	-	(663)
Net assets		<u>863,958</u>	<u>629,832</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		863,858	629,732
Total equity		<u>863,958</u>	<u>629,832</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were approved by the board of directors on 27/10/17 and were signed on its behalf by:

Director
Unique Ingredients Limited

Registered Number: 03419087

STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 December 2016

	Notes	Called up share capital £	Retained earnings £	Total £
Balance at 1 May 2015		<u>100</u>	<u>2,170,155</u>	<u>2,170,255</u>
Profit for the financial period		-	1,009,577	1,009,577
Dividends	14	<u>-</u>	<u>(2,550,000)</u>	<u>(2,550,000)</u>
Balance as at 30 April 2016		<u>100</u>	<u>629,732</u>	<u>629,832</u>
Balance as at 1 May 2016		100	629,732	629,832
Profit for the financial period		-	730,727	730,727
Dividends	14	<u>-</u>	<u>(496,601)</u>	<u>(496,601)</u>
Balance as at 31 December 2016		<u>100</u>	<u>863,858</u>	<u>863,958</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Unique Ingredients Limited is involved in the sale and marketing of food ingredients to the food processing industry.

Unique Ingredients Limited is a company incorporated in the United Kingdom. The address of its registered office is 5 Whittle Close, Drayton Fields Industrial Estate, Daventry, Northamptonshire, United Kingdom, N11 8RQ.

The immediate parent company is Redbrook Ingredients Services Limited, a company incorporated in the Republic of Ireland. The ultimate parent company of Unique Ingredients Limited is Frutarom Industries Limited, a company incorporated in Israel. The ultimate controlling party is Frutarom Industries Limited.

Frutarom Industries Limited is the largest and smallest group in which the results of the company are consolidated. The consolidated accounts of Frutarom Industries Limited are publically available and may be obtained from the registered office, 25 Heshai Street, Haifa Bay, Israel.

2 Statement of compliance

The individual financial statements of Unique Ingredients Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed in note 4.

(b) Disclosure exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company is a qualifying entity and has taken advantage of the following disclosure exemptions for qualifying entities:

- (i) Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.
- (ii) Exemption from the requirement of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows.
- (iii) The company has availed of the exemption from the financial instruments disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS102.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(c) Foreign currency

(i) *Functional and presentation currency*

The company financial statements are presented in pound sterling. The company's functional and presentation currency is the pound sterling.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/ income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

(d) Revenue recognition

(i) *Turnover*

Turnover is the amount of revenue derived from the provision of goods falling within the company's ordinary activities after deduction of trade discounts and value-added tax. For Unique Ingredients Limited turnover comprises sale of good ingredients to the food processing industry.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Proceeds received in advance of product shipment or performance of service are recorded as deferred revenue in the balance sheet.

The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of company's sales channels have been met, as described below.

The company generally meet these criteria at the point of despatch however in some circumstances the criteria can also be the point of delivery, when the title to the goods and risk of loss transfer to the customer, provided there are no substantive remaining performance obligations required or any matters requiring customer acceptance.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(e) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) *Short term employee benefits*

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial period in which the employees render the related service. The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) *Post-employment benefits*

Defined contribution plan

The company operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are included in accruals in the balance sheet.

(f) Income tax

Income tax expense for the financial period comprises current and deferred tax recognised in the financial period. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense. Current or deferred tax assets and liabilities are not discounted.

(i) *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(g) Tangible fixed assets

Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation on assets is calculated, using the straight line method using the following rates:

Plant and machinery	20%
Fixtures and fittings	20%
Motor vehicles	20%
Computer equipment	20%

Tangible fixed assets are stated at cost less accumulated depreciation.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial period. The effect of any change in either residual values or useful lives is accounted for prospectively.

(ii) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(h) Leased Assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

(i) Stock

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the financial period in which the related revenue is recognised.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition.

At the end of each financial period, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(k) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial period and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial period in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because (i) it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial period. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(l) Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments:

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents and short term deposits, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

At the end of each financial period financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

If, in a subsequent financial period, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(l) Financial Instruments - continued

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially for a similar debt instrument. Where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one period if payment is due within one period or less. If not, they are presented as falling due after more than one period. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(m) **Share Capital**

Equity shares are recognised at the proceeds received and presented as share capital and share premium. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) **Distributions to equity shareholders**

Dividends and other distributions to the Company's equity shareholders are recognised as a liability in the financial statements in the financial period in which the dividends and other distributions are approved by the shareholders.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

(i) *Impairment of debtors*

The directors make an assessment at the end of each financial period of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. An impairment is only made to the extent that the debtor is not covered by credit insurance. See notes 6 and 11 for the net carrying amount of the debtors and the impairment loss (if any), recognised in the financial period.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Turnover

All turnover arises in the United Kingdom. The company considers that all turnover derives from one class of business, being the sale and marketing of food ingredients to the food processing industry.

6 Operating expenses

	8 months ended 31 December 2016 £	12 months ended 30 April 2016 £
The following operating expenses have been recognised:		
Depreciation of tangible assets	<u>8,624</u>	<u>9,842</u>
Services provided by the company's auditor - Fees payable for the audit	<u>3,015</u>	<u>6,280</u>
Exchange (gain)	<u>(35,457)</u>	<u>(7,121)</u>
Impairment of debtors	<u>49</u>	<u>(1,004)</u>
Stock recognised as an expense	<u>1,535,650</u>	<u>2,015,536</u>

7 Directors' emoluments

(a) Employees

The average number of persons employed by the company (including directors) during the period was:

	8 months ended 31 December 2016 Number	12 months ended 30 April 2016 Number
Directors	3	2
Selling and marketing	1	1
Administration	<u>1</u>	<u>-</u>
	<u>5</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Directors' emoluments - continued

(b) The staff costs comprise

	8 months ended 31 December 2016 £'000	12 months ended 30 April 2016 £'000
Wages and salaries	222,593	124,497
Social security costs	23,451	14,583
Pension contributions	1,483	10,658
Staff costs	<u>247,527</u>	<u>149,738</u>

(c) Directors' emoluments

	8 months ended 31 December 2016 £'000	12 months ended 30 April 2016 £'000
Aggregate emoluments - Directors' remuneration	<u>15,710</u>	<u>79,540</u>

8 Income tax

(a) Tax expenses included in profit and loss

	31 December 2016 £	30 April 2016 £
Current tax:		
United Kingdom corporation tax on profit for the period	176,416	221,956
Adjustment in respect of prior year	-	-
Total current tax	<u>176,416</u>	<u>221,956</u>
Deferred tax:		
Origination and reversal of timing differences	(963)	(570)
Tax on profit on ordinary activities	<u>175,453</u>	<u>221,386</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Income tax - continued

(b) Reconciliation of tax charge

The tax assessed for the period is different than the standard rate of corporation tax in the UK for the period ended 31 December 2016 of 20% (2016: 20%). The differences are explained below:

	31 December 2016 £	30 April 2016 £
Profit on ordinary activities before tax	906,180	1,230,963
Profit on ordinary activities multiplied by the standard rate of UK corporation tax for the period of 20% (2016: 20%)	181,236	246,193
Effects of:		
Disallowable expenses	600	13
Research and development tax credit	(6,380)	(25,148)
Other reconciling items	960	908
Organisation and reversal of timing differences	(960)	(570)
Current tax charge for the period	175,453	221,386

9 Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
At 30 April 2016					
Cost	4,377	38,245	48,634	43,596	134,852
Accumulated depreciation and impairment	4,377	382,01	22,283	34,525	99,386
Net book amount	-	44	26,351	9,071	35,466
Year ended 31 December 2016					
Opening net book amount	-	44	26,351	9,071	35,466
Depreciation	-	(44)	(4,306)	(4,274)	(8,624)
Closing net book amount	-	-	22,045	4,797	26,842
As at 31 December 2016					
Cost	4,377	38,245	48,634	43,596	134,852
Accumulated depreciation and impairment	4,377	38,245	26,589	38,799	108,010
Net book amount	-	-	22,045	4,797	26,842

10 Stock

	31 December 2016 £	30 April 2016 £
Finished goods and goods for resale	355,260	365,242

There is no significant difference between the replacement cost of stock and its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Debtors	31 December 2016 £	30 April 2016 £
Trade debtors	478,262	398,119
Other debtors	3,197	3,035
VAT	14,016	16,151
Deferred tax asset	300	-
	<u>495,775</u>	<u>417,305</u>

Trade debtors are stated after provision for bad debts of £Nil (30 April 2016: £Nil).

12 Creditors – amounts falling due within one year	31 December 2016 £	30 April 2016 £
Trade creditors	79,791	230,927
Amounts due to group companies	136,264	487,038
Other creditors including tax and social insurance	135,601	147,185
Accruals, provisions and other liabilities	23,847	32,728
	<u>375,503</u>	<u>897,878</u>

Amounts due to group companies are unsecured, interest free and are repayable on demand.

13 Deferred taxation	31 December 2016 £	30 April 2016 £
At 1 May 2016	663	1,233
Deferred tax credit/(charge) (note 8)	(663)	(570)
At 31 December 2016	<u>-</u>	<u>663</u>

The deferred tax liability comprises:

	31 December 2016 £	30 April 2016 £
Accelerated capital allowances	-	663
Other timing differences	-	-
	<u>-</u>	<u>663</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Called up share capital

	31 December 2016 £	30 April 2016 £
Allotted and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	31 December 2016 £	30 April 2016 £
Dividends		
Paid during the period	<u>496,601</u>	<u>2,550,000</u>

15 Pension obligations

(a) Defined contribution scheme

The Unique Ingredients Pension Scheme is a defined contribution scheme for certain staff. Contributions for this during the period were £1,483 (30 April 2016: £10,658). Contributions are charged in the profit and loss account on an accruals basis. An amount of £Nil (30 April 2016: £nil) is accrued at the balance sheet date.

16 Transactions with related parties

Unique Ingredients Limited is a wholly owned subsidiary of Frutarom Industries Limited. The company has therefore availed of the exemption in FRS 102 which permits subsidiaries, 100% of whose voting rights are controlled within the group, not to disclose details of transactions with either the parent company or with other wholly owned entities that are part of the group. See note 7 for disclosure of the directors' remuneration.

17 Events since the end of the financial period

There have been no significant events affecting the financial statements since the period end.

18 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 27/10/17 and were signed on its behalf on that day.

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT - continued
For the financial period ended 30 April 2016

	Notes	8 month period ended 31 December 2016 £	12 month period ended 30 April 2016 £
Sales		3,033,596	3,849,204
Less:			
Cost of sales			
Opening stock	365,242	321,684	
Purchases	1,525,668	2,059,094	
Distribution, handling and storage	77,916	128,717	
Carriage inwards	34,959	16,009	
	<u>2,003,785</u>	<u>2,525,504</u>	
Closing stock	(355,260)	(365,242)	
		<u>1,648,525</u>	<u>2,160,262</u>
Gross profit		1,385,071	1,688,942
Expenditure			
Directors' salaries	15,001	62,610	
Directors' social security	709	7,744	
Directors' pension contributions	-	5,380	
Wages & Salaries	207,586	61,887	
Social security	22,742	6,839	
Pension contributions	1,483	5,278	
Rent	3,500	5,250	
Rates and water	1,690	2,726	
Insurance	670	2,134	
Light and heat	3,030	7,939	
Management charges	170,279	221,868	
Hire of plant and machinery	120	222	
Telephone	2,802	3,871	
Printing, postage and stationery	627	1,250	
Advertising	713	1,245	
Motor and travel	29,376	35,734	
Computer costs	1,581	1,666	
Repairs and renewals	761	2,498	
Consultancy fees	1,450	1,375	
Sundry expenses	643	294	
Interest on late tax	1	882	
Bank charges	720	1,130	
Legal and professional fees	1,719	2,975	
Auditors' remuneration	3,015	6,280	
Depreciation of tangible fixed assets	8,625	9,842	
Profit/loss on sale of tangible assets	-	-	
Entertainment	-	64	
Bad debts	49	(1,004)	
		<u>478,891</u>	<u>457,979</u>
Net profit		906,180	1,230,963