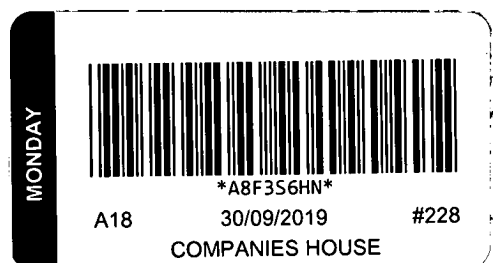


Unique Ingredients Limited

(Registered number: 03419087)

Annual Report

Year ended 28 December 2018



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DIRECTORS AND OTHER INFORMATION

Board of Directors at 26 September 2019

Amos Anatot	(Israeli)
Robert Gerard Anderson	(US)
Richard Allen O'Leary	(US)

Bankers

Lloyds Bank plc
George Row
Northampton
BX1 1LT

Secretary and Registered Office

Karen Jane Russell
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

Independent 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 year ended 28 December 2018.

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 year is £853,176 (2017: £974,984). The company has net assets of £1,092,118 as at 28 December 2018 (2017: £238,942). An interim dividend of £Nil (2017: £1,600,000) was paid during the year.

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 year ended 28 December 2018 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.

Amos Anatot	
Alon Shmuel Granot	(resigned 4 October 2018)
Ori Yehudi	(resigned 7 November 2018)
Robert Gerard Anderson	(appointed 8 November 2018)
Richard Allen O'Leary	(appointed 8 November 2018)

DIRECTORS' REPORT - continued

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

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, 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: 9/26/19



Independent auditors' report to the members of Unique Ingredients Limited

Report on the audit of the financial statements

Opinion

In our opinion, Unique Ingredients Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 28 December 2018; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 28 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.



Other required reporting

Companies Act 2006 exception reporting

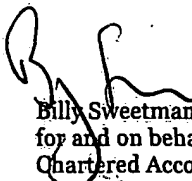
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.


Billy Sweetman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Wexford

30 September 2019

PROFIT AND LOSS ACCOUNT
For the financial year ended 28 December 2018

	Note	Year ended 28 December 2018 £	Year ended 31 December 2017 £
Turnover	5	3,898,633	4,293,806
Cost of sales		<u>(2,347,158)</u>	<u>(2,574,255)</u>
Gross profit		1,551,475	1,719,551
Administrative expenses		<u>(483,679)</u>	<u>(534,660)</u>
Operating profit	6	1,067,796	1,184,891
Interest receivable and similar income		-	34
Interest payable and similar expenses		<u>-</u>	<u>-</u>
Profit before taxation		1,067,796	1,184,925
Tax on profit	8	<u>(214,620)</u>	<u>(209,941)</u>
Profit for the financial period		<u>853,176</u>	<u>974,984</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.

Unique Ingredients Limited

BALANCE SHEET
As at 28 December 2018

	Note	28 December 2018 £	31 December 2017 £
Fixed assets			
Tangible assets	9	<u>2,919</u>	<u>9,373</u>
		<u>2,919</u>	<u>9,373</u>
Current assets			
Stock	10	505,337	402,654
Debtors	11	1,024,475	548,707
Cash at bank and in hand		<u>337,455</u>	<u>301,343</u>
		<u>1,867,267</u>	<u>1,252,704</u>
Creditors - amounts falling due within one year	12	<u>(778,068)</u>	<u>(1,023,135)</u>
Net current assets		<u>1,089,199</u>	<u>229,569</u>
Net assets		<u>1,092,118</u>	<u>238,942</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		<u>1,092,018</u>	<u>238,842</u>
Total equity		<u>1,092,118</u>	<u>238,942</u>

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 8 to 21 were approved by the board of directors on 26 September 2019 and were signed on its behalf by:



Director
Unique Ingredients Limited

Registered Number: 03419087

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 28 December 2018

	Notes	Called up share capital £	Retained earnings £	Total £
Balance as at 1 January 2017		100	863,858	863,958
Profit for the financial year		-	974,984	974,984
Dividends	14	<u>-</u>	<u>(1,600,000)</u>	<u>(1,600,000)</u>
Balance as at 31 December 2017		<u>100</u>	<u>238,842</u>	<u>238,942</u>
Balance as at 1 January 2018		100	238,842	238,942
Profit for the financial year		-	853,176	853,176
Dividends	14	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 28 December 2018		<u>100</u>	<u>1,092,018</u>	<u>1,092,118</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. Its registered number is 03419087.

The immediate parent company is Frutarom UK Limited, a company incorporated in the United Kingdom. The ultimate parent company of Unique Ingredients Limited is International Flavors & Frangrances Inc., a company incorporated in United States of America. The ultimate controlling party is International Flavors & Frangrances Inc.

International Flavors & Frangrances Inc. is the largest and smallest group in which the results of the company are consolidated. The consolidated financial statements of International Flavors & Frangrances Inc. are publically available and may be obtained from the registered office, 521 West 57th Street, New York, NY10019, United States of America.

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 food 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.

(a) Critical judgement in applying the entity's accounting policies

No judgement, apart from those involving estimates, made by the directors has had significant effect on the amounts recognised in the financial statements.

(b) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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 year.

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 profit

	Year ended 28 December 2018 £	Year ended 31 December 2017 £
The following operating expenses have been recognised:		
Depreciation of tangible assets	<u>6,959</u>	<u>8,553</u>
Services provided by the company's auditor - Fees payable for the audit	<u>13,149</u>	<u>29,477</u>
Exchange loss/(gain)	<u>79,324</u>	<u>1,239</u>
Stock recognised as an expense	<u>2,137,939</u>	<u>2,453,992</u>

7 Employees and directors

(a) Employees

The average number of persons employed by the company during the year was:

	Year ended 28 December 2018 Number	Year ended 31 December 2017 Number
Selling and marketing	1	1
Administration	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Directors' emoluments - continued

(b) The staff costs comprise

	Year ended 28 December 2018 £'000	Year ended 31 December 2017 £'000
Wages and salaries	102,345	126,308
Social security costs	4,360	23,748
Other pension costs	3,105	3,923
Staff costs	<u>109,810</u>	<u>153,979</u>

(c) Directors' emoluments

	Year ended 28 December 2018 £'000	Year ended 31 December 2017 £'000
Aggregate emoluments - Directors' remuneration	<u>-</u>	<u>-</u>

8 Tax on profit

(a) Tax expenses included in profit and loss

	28 December 2018 £	31 December 2017 £
Current tax:		
United Kingdom corporation tax on profit for the year	214,620	209,941
Adjustment in respect of prior year	-	-
Total current tax	<u>214,620</u>	<u>209,941</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on profit	<u>214,620</u>	<u>209,941</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Tax on profit - continued

(b) Reconciliation of tax charge

The tax assessed for the year is different than the standard rate of corporation tax in the UK for the year ended 28 December 2018 of 19% (2017: 19.25%). The differences are explained below:

	28 December 2018 £	31 December 2017 £
Profit before tax	1,067,796	1,184,925
Profit multiplied by the standard rate of UK corporation tax for the year of 19% (2017: 19.25%)	202,881	228,098
Effects of:		
Disallowable expenses	1,226	1,639
Research and development tax credit	-	(19,796)
Other reconciling items	10,513	-
Total tax charge for the year	214,620	209,941

9 Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
At 31 December 2017					
Cost	4,377	38,245	16,549	45,400	104,571
Accumulated depreciation and impairment	(4,377)	(38,245)	(10,158)	(42,418)	(95,198)
Net book amount	-	-	6,391	2,982	9,373
Year ended 28 December 2018					
Opening net book amount	-	-	6,391	2,982	9,373
Additions	-	-	-	505	505
Depreciation	-	-	(3,876)	(3,083)	(6,959)
Closing net book amount	-	-	2,515	404	2,919
As at 28 December 2018					
Cost	4,377	38,245	16,549	45,905	105,076
Accumulated depreciation and impairment	(4,377)	(38,245)	(14,034)	(45,501)	(102,157)
Net book amount	-	-	2,515	404	2,919

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Stock	28 December 2018 £	31 December 2017 £
Finished goods and goods for resale	<u>505,337</u>	<u>402,654</u>

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

11 Debtors	28 December 2018 £	31 December 2017 £
Trade debtors	297,545	341,701
Prepayments and accrued income	1,297	1,618
Amounts owed by group undertakings	722,594	191,340
VAT	2,739	13,748
Deferred tax asset	300	300
	<u>1,024,475</u>	<u>548,707</u>

Trade debtors are stated after provision for bad debts of £Nil (2017: £Nil).

12 Creditors – amounts falling due within one year	28 December 2018 £	31 December 2017 £
Trade creditors	105,673	160,812
Amounts owed to group undertakings	607,814	598,927
Other creditors including taxation and social security	25,218	224,769
Accruals	39,363	38,627
	<u>778,068</u>	<u>1,023,135</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

13 Deferred taxation	28 December 2018 £	31 December 2017 £
At 1 January	300	-
Deferred tax credit/(charge) (note 8)	-	300
At 31 December	<u>300</u>	<u>300</u>

The deferred tax asset/(liability) comprises:

	28 December 2018 £	31 December 2017 £
Accelerated capital allowances	300	300
Other timing differences	-	-
	<u>300</u>	<u>300</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Called up share capital

	28 December 2018 £	31 December 2017 £
Allotted and fully paid		
100 ordinary shares of £1 each (2017: 100)	<u>100</u>	<u>100</u>
	28 December 2018 £	31 December 2017 £
Dividends		
Paid during the year	<u>-</u>	<u>1,600,000</u>

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial periods less dividends paid.

15 Pension obligations

Defined contribution scheme

The Unique Ingredients Pension Scheme is a defined contribution scheme for certain staff. Contributions for this during the period were £3,105 (2017: £3,923). Contributions are charged in the profit and loss account on an accruals basis. An amount of £151 (2017: £364) is accrued at the balance sheet date.

16 Transactions with related parties

Unique Ingredients Limited is a wholly owned subsidiary of International Flavours & Fragrances inc. 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 26 September 2019 and were signed on its behalf on that day.

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT - UNAUDITED
For the financial year ended 28 December 2018

	Year ended 28 December 2018	Year ended 31 December 2017
	£	£
Sales	3,898,633	4,293,806
Less:		
Cost of sales		
Opening stock	402,654	355,260
Purchases	2,295,951	2,438,420
Distribution, handling and storage	94,423	114,911
Carriage inwards	59,467	68,318
	<u>2,852,495</u>	<u>2,976,909</u>
Closing stock	(505,337)	(402,654)
	<u>(2,347,158)</u>	<u>(2,574,255)</u>
Gross profit	1,551,475	1,719,551
Expenditure		
Wages and salaries	102,345	126,308
Social security	4,360	23,748
Pension contributions	3,105	3,923
Rent	5,553	5,250
Rates and water	25	2,552
Insurance	243	410
Light and heat	4,700	3,694
Management charges	280,210	276,456
Hire of plant and machinery	270	240
Telephone	3,510	1,136
Printing, postage and stationery	1,641	1,293
Advertising	716	828
Motor and travel	39,440	38,175
Computer costs	3,118	544
Repairs and renewals	1,641	3,074
Consultancy fees	8,067	1,327
Sundry expenses	2,348	2,643
Bank charges	316	519
Legal and professional fees	1,964	1,791
Auditors' remuneration	13,149	29,477
Depreciation of tangible fixed assets	6,958	8,551
Profit/loss on sale of tangible assets	-	2,721
	<u>483,679</u>	<u>534,660</u>
Operating profit	1,067,796	1,184,891