

**Company Registration No. 00934139**

**Azelis UK Life Sciences Limited**

**Report and Financial Statements**

**for the year ended**

**31 December 2011**

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**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Report and financial statements 2011**

| <b>Contents</b>                                 | <b>Page</b> |
|---|-------------|
| <b>Officers and professional advisers</b>       | <b>1</b>    |
| <b>Directors' report</b>                        | <b>2</b>    |
| <b>Statement of directors' responsibilities</b> | <b>4</b>    |
| <b>Independent auditor's report</b>             | <b>5</b>    |
| <b>Profit and loss account</b>                  | <b>7</b>    |
| <b>Balance sheet</b>                            | <b>8</b>    |
| <b>Notes to the financial statements</b>        | <b>9</b>    |

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

D M McCabe  
Mrs J T Traynor  
J S A Coppye  
G R Krausser

#### **Secretary**

D M McCabe

#### **Registered Office**

Foxholes Business Park  
John Tate Road  
Hertford  
Hertfordshire  
SG13 7YH

#### **Bankers**

Fortis Bank SA  
5 Aldermanbury Square London  
EC2V 7HR

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory  
Auditor  
London

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

### **Change of Company Name**

On 1 January 2011 the company changed its name from S Black Limited to Azelis UK Life Sciences Limited

### **Principal activities**

The principal activities of the Company continue to be the sale and distribution of speciality ingredients for the personal care, food, healthcare and fragrance ingredients sectors

### **Business review**

The directors' objective is to grow a strong, profitable UK based business in the Life Science business areas of the Azelis portfolio, delivering performance enhancements for the mutual benefit of customers, suppliers, employees and shareholders. Synergies arising from membership of the Azelis Group will support these objectives. In line with the group's territorial and business growth strategy, the company benefitted from the addition of several life science businesses. These were transferred into Azelis UK Life Sciences Limited subsequent to the Azelis Group's acquisition of part of the S&D group in April 2011.

The results for the Company are set out in the profit and loss account on page 7

Key performance indicators include the following

| KPI                                    | Year to<br>31 December<br>2011 | Year ended<br>31 December<br>2010 | Year ended<br>31 December<br>2009 |
|--|--------------------------------|-----------------------------------|-----------------------------------|
| Sales (£'000)                          | 52,040                         | 46,396                            | 41,726                            |
| Profit before tax (£'000)              |                                |                                   |                                   |
| (excluding gain on sale of subsidiary) | 5,335                          | 2,974                             | 3,028                             |
| Return on capital employed*            | 16.4%                          | 11.5%                             | 20.0%                             |

*\*(Operating profit as a percentage of shareholder's funds)*

The principal commercial risks and uncertainty facing the Company relate to the ongoing trend of the UK personal care manufacturing industry moving to cheaper operating environments and price pressure. The Company continues to use its strong balance sheet and membership of the Azelis Group to diversify its product range, synergistic market sectors and geographic coverage within its business units. The Company's focus remains on the provision of a high level of value-added service involving in-depth product and market knowledge, first class supply chain performance and a commitment to continual improvement.

With regard to financial risks, as the Company's trading operations involve foreign currencies there is an inherent exposure to exchange risk. The Company's credit risk primarily relates to trade debtors and is managed by monitoring the aggregate amount and duration of exposure to any one customer depending on their credit rating.

The Company maintains a strong culture towards health, safety and the environment and operates a responsible care programme.

## **Directors' report (continued)**

### **Going Concern**

After making adequate enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 1 to the financial statements.

### **Directors**

The directors who held office during the year were as follows

Mr D M McCabe

Mrs J T Traynor

Mr J S A Coppie (appointed 2 December 2011)

Mr G R Krausser (appointed 2 December 2011)

### **Employees**

It is the Company's policy to provide disabled persons with the opportunities of employment equal to those which are available to all other employees.

The Company recognises the benefits of keeping employees informed on matters which are of specific concern to them as employees and it is its policy to provide them with such information on a regular basis whenever appropriate.

### **Political and charitable contributions**

The Company made no political contributions during the period (2010 £nil). Donations to UK charities amounted to £ nil (2010 £766).

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



David M McCabe

Director

26 APR 2012

## **Azelis UK Life Sciences Limited**

Company Registration No. 00934139

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of Azelis UK Life Sciences Limited**

We have audited the financial statements of Azelis UK Life Sciences Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities, 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). Those standards require us to comply with the Auditing Practice Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

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

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on matters prescribed in the Companies Act 2006**

- In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Azelis UK Life Sciences Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Emma Cox (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

30 April 2012



**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Profit and loss account**  
**Year ended 31 December 2011**

|   | Notes | 2011<br>£'000 | 2010<br>£'000 |
|---|-------|---------------|---------------|
| Turnover  | 2     | 52,040        | 46,396        |
| Cost of sales   |       | (39,690)      | (37,646)      |
| <b>Gross profit</b>   |       | <b>12,350</b> | <b>8,750</b>  |
| Distribution costs  |       | (437)         | (336)         |
| Administrative expenses (including gain on disposal of subsidiary of £3,456k in 2010) |       | (7,304)       | (2,173)       |
| <b>Operating profit</b>   |       | <b>4,609</b>  | <b>6,241</b>  |
| Interest receivable and similar income  | 5     | 737           | 483           |
| Interest payable and similar charges  | 6     | (11)          | (294)         |
| <b>Profit on ordinary activities before taxation</b>                                  | 3     | <b>5,335</b>  | <b>6,430</b>  |
| Taxation  | 7     | (1,447)       | (820)         |
| <b>Profit for the financial year</b>  |       | <b>3,888</b>  | <b>5,610</b>  |

The profit and loss account has been prepared on the basis that all operations are continuing operations  
There are no recognised gains and losses in either period other than the profit or loss for that period

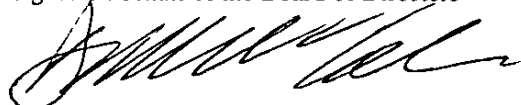
**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Balance sheet**  
**31 December 2011**

|   | Notes | 2011<br>£'000 | 2010<br>£'000 |
|---|-------|---------------|---------------|
| <b>Fixed assets</b>                                   |       |               |               |
| Goodwill  | 8     | 8             | 12            |
| Tangible assets                                       | 9     | 622           | 732           |
| Investments   | 10    | 27            | 27            |
|   |       | <u>657</u>    | <u>771</u>    |
| <b>Current assets</b>                                 |       |               |               |
| Stocks of goods for resale                            | 11    | 10,515        | 6,832         |
| Debtors   | 12    | 41,347        | 21,972        |
| Cash at bank and in hand                              |       | 10,786        | 6,736         |
|   |       | <u>62,648</u> | <u>35,540</u> |
| <b>Creditors: amounts falling due within one year</b> | 13    | (35,218)      | (12,112)      |
| <b>Net current assets</b>                             |       | <u>27,430</u> | <u>23,428</u> |
| <b>Net assets</b>                                     |       | <u>28,087</u> | <u>24,199</u> |
| <b>Capital and reserves</b>                           |       |               |               |
| Called up share capital                               | 15    | 115           | 115           |
| Share premium account                                 | 16    | 404           | 404           |
| Profit and loss account                               | 16    | 27,568        | 23,680        |
| <b>Shareholders' funds</b>                            |       | <u>28,087</u> | <u>24,199</u> |

The financial statements of Azelis UK Life Sciences Limited registered number 00934139 were approved by the Board of Directors on 26/1/2012

Signed on behalf of the Board of Directors



David M McCabe

Director

# **Azelis UK Life Sciences Limited**

Company Registration No. 00934139

## **Notes to the financial statements**

**Year ended 31 December 2011**

### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Under Financial Reporting Standard 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Azelis Holding SA, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Azelis Holding SA, within which this company is included, can be obtained from the address given in note 22

The Company is exempt from the requirement to produce group accounts under section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Azelis Holding SA, which is incorporated in Luxembourg These financial statements, therefore, present information about the Company as an individual undertaking and not about its group

#### **Going Concern**

As at 31 December 2011 the company has positive net assets and net current assets, is profit making and has sufficient financial resources with which to support itself The company guarantees the obligations of Azelis Holding SA under the group's debt facilities agreements As a result, after making enquiries and reviewing the company's and group's forecasts, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements

#### **Goodwill**

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations or in respect of acquisitions is capitalised at cost Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life

#### **Fixed assets and depreciation**

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

|                                  |                       |
|----------------------------------|-----------------------|
| Leasehold improvements           | The life of the lease |
| Computer equipment               | 4 years               |
| Fixtures, fittings and equipment | 10 years              |
| Motor vehicles                   | 4 years               |

#### **Investments**

Fixed assets investments are stated at cost less provision for impairment value

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**1. Accounting policies (continued)**

**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

**Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

**Post-retirement benefits**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes the cost of bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

**Trade Debtors**

Trade debtors subject to invoice discounting arrangements with a third party are derecognised upon transfer of the debts and all associated risks and rewards to the third party. Administration charges incurred in relation to this are recorded in the profit and loss account.

**Taxation**

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have been originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

**Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is recognised on receipt of goods by customers.

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**2. Analysis of turnover and segmental information**

All turnover and profits before taxation are derived from the technical sale and distribution of speciality ingredients. A geographical analysis of turnover is as follows:

|                   | 2011<br>£'000 | 2010<br>£'000 |
|-------------------|---------------|---------------|
| United Kingdom    | 40,683        | 38,646        |
| Rest of the world | 11,357        | 7,750         |
|                   | <u>52,040</u> | <u>46,396</u> |

**3. Profit on ordinary activities before taxation**

|  | 2011<br>£'000 | 2010<br>£'000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation is stated after charging/(crediting) |               |               |
| Depreciation and other amounts written off tangible fixed assets                   | 230           | 264           |
| Amortisation of goodwill   | 4             | 11            |
| Hire of other assets - operating leases  | 515           | 413           |
| Profit on disposal of subsidiary   | -             | (3,456)       |
| Profit on sale of tangible fixed assets  | (18)          | (10)          |
| Exchange losses/(gains)  | 94            | 336           |
| Auditor's remuneration for the audit of the company's annual accounts              | 19            | 12            |
| Auditor's remuneration for non-audit services                                      | -             | 7             |
|  | <u>-</u>      | <u>7</u>      |

**4. Staff numbers and costs**

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

|                   | Number of employees |             |
|-------------------|---------------------|-------------|
|                   | 2011<br>No.         | 2010<br>No. |
| Sales and support | <u>79</u>           | <u>86</u>   |

The aggregate payroll costs of these persons were as follows:

|                       | 2011<br>£'000 | 2010<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | 2,795         | 2,825         |
| Social security costs | 337           | 324           |
| Other pension costs   | 183           | 188           |
|                       | <u>3,315</u>  | <u>3,337</u>  |

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**5. Interest receivable and similar income**

|                                     | <b>2011</b>  | <b>2010</b>  |
|-------------------------------------|--------------|--------------|
|                                     | <b>£'000</b> | <b>£'000</b> |
| On amounts due from group companies | 737          | 483          |
|                                     | <u>737</u>   | <u>483</u>   |

**6. Interest payable and similar charges**

|                | <b>2011</b>  | <b>2010</b>  |
|----------------|--------------|--------------|
|                | <b>£'000</b> | <b>£'000</b> |
| Bank interest  | 3            | 294          |
| Other interest | 8            | -            |
|                | <u>11</u>    | <u>294</u>   |

**7. Taxation**

**Analysis of charge in the year**

|  | <b>2011</b>  | <b>2010</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Current tax</b>                         |              |              |
| Corporation tax at 26.5% (2010 28%)        | 1,419        | 798          |
| Adjustments in respect of prior periods    | 33           | (20)         |
| Total current tax                          | <u>1,452</u> | <u>778</u>   |
| <b>Deferred tax (see note 14)</b>          |              |              |
| Origination/reversal of timing differences | (6)          | 40           |
| Effect of decreased tax rate               | 1            | 2            |
| Tax on profit on ordinary activities       | <u>1,447</u> | <u>820</u>   |

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**7. Taxation (continued)**

The current tax charge for the period is lower (2010 lower) than the standard rate of corporation tax in the UK 26.5% (2010 28%). The differences are explained below

|   | 2011<br>£'000 | 2010<br>£'000 |
|---|---------------|---------------|
| <i>Current tax reconciliation</i>                       |               |               |
| Profit on ordinary activities before tax                | 5,335         | 6,430         |
|   | <hr/>         | <hr/>         |
| Current tax at 26.5% (2010 28%)                         | 1,413         | 1,800         |
| Effects of  |               |               |
| Expenses not deductible for tax purposes                | 7             | 5             |
| Differences between capital allowances and depreciation | (4)           | (14)          |
| Other short term timing differences                     | 5             | (23)          |
| Short lease premium                                     | (2)           | (2)           |
| Profit on disposal in excess of chargeable gain         | -             | (968)         |
| Adjustments to tax charge in respect of prior periods   | -             | 2             |
| Deferred tax rate change on movement                    | -             | (2)           |
|   | <hr/>         | <hr/>         |
| Total current tax charge (see above)                    | 1,419         | 798           |
|   | <hr/>         | <hr/>         |

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**8. Goodwill**

|                       | <b>£'000</b> |
|-----------------------|--------------|
| <b>Cost</b>           |              |
| At 1 January 2011     | 624          |
| Additions             | -            |
| Disposals             | -            |
|                       | <u>624</u>   |
| At 31 December 2011   | 624          |
| <b>Amortisation</b>   |              |
| At 1 January 2011     | 612          |
| Charge for the year   | 4            |
|                       | <u>616</u>   |
| At 31 December 2011   | 616          |
| <b>Net book value</b> |              |
| At 31 December 2011   | <u>8</u>     |
| At 31 December 2010   | <u>12</u>    |

In the opinion of the directors the estimated useful life of the goodwill is 5 years and this is the period over which it is being amortised

**9. Tangible fixed assets**

|                                 | <b>Leasehold<br/>improvements<br/>equipment<br/>£'000</b> | <b>Computer<br/>£'000</b> | <b>Fixtures,<br/>fittings and<br/>equipment<br/>£'000</b> | <b>Motor<br/>vehicles<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---------------------------------|---|---------------------------|---|-------------------------------------|------------------------|
| <b>Cost</b>                     |   |                           |   |                                     |                        |
| At 1 January 2011               | 53  | 2,043                     | 901   | 410                                 | 3,407                  |
| Additions                       | -   | 53                        | 20  | 72                                  | 145                    |
| Disposals                       | -   | -                         | -   | (262)                               | (262)                  |
|                                 | <u>53</u>   | <u>2,096</u>              | <u>921</u>  | <u>220</u>                          | <u>3,290</u>           |
| At 31 December 2011             | 53  | 2,096                     | 921   | 220                                 | 3,290                  |
| <b>Accumulated depreciation</b> |   |                           |   |                                     |                        |
| At 1 January 2011               | 32  | 1,561                     | 756   | 326                                 | 2,675                  |
| Charge for the year             | 13  | 143                       | 31  | 43                                  | 230                    |
| Disposals                       | -   | -                         | -   | (237)                               | (237)                  |
|                                 | <u>45</u>   | <u>1,704</u>              | <u>787</u>  | <u>132</u>                          | <u>2,668</u>           |
| At 31 December 2011             | 45  | 1,704                     | 787   | 132                                 | 2,668                  |
| <b>Net book value</b>           |   |                           |   |                                     |                        |
| At 31 December 2011             | <u>8</u>  | <u>392</u>                | <u>134</u>  | <u>88</u>                           | <u>622</u>             |
| At 31 December 2010             | <u>21</u>   | <u>482</u>                | <u>145</u>  | <u>84</u>                           | <u>732</u>             |



## Azelis UK Life Sciences Limited

Company Registration No. 00934139

### Notes to the financial statements Year ended 31 December 2011

#### 10. Fixed asset investments

|                       | Shares in<br>group<br>undertakings<br>£'000 | Listed<br>investments<br>£'000 | Unlisted<br>investments<br>£'000 | Total<br>£'000 |
|-----------------------|---|--------------------------------|----------------------------------|----------------|
| <b>Cost</b>           |   |                                |                                  |                |
| At 1 January 2011     | -   | 17                             | 10                               | 27             |
| Disposals             | -   | -                              | -                                | -              |
| At 31 December 2011   | -   | 17                             | 10                               | 27             |
| <b>Net book value</b> |   |                                |                                  |                |
| At 31 December 2011   | -   | 17                             | 10                               | 27             |
| At 31 December 2010   | -   | 17                             | 10                               | 27             |

At 31 December 2011 the market value of the listed investments was £56,000 (2010 £49,000). The entity in which the Company's interest at the period end is greater than 20% is as follows:

| Subsidiary undertakings           | Country of<br>registration | Principal activity | Percentage of<br>ordinary shares held |
|-----------------------------------|----------------------------|--------------------|---------------------------------------|
| S Black (Import & Export) Limited | England and Wales          | Dormant            | 100%                                  |

In December 2010 Azelis UK Life Science Limited sold all of its interest in Azelis Deutschland Kosmetik GmbH (formerly S Black GmbH) to Azelis Deutschland GmbH (formerly Kraemer and Martin GmbH) for €4,900k.

The directors are of the opinion that there has been no impairment in the carrying value of the Company's investments.

#### 11. Stocks

|                                     | 2011<br>£'000 | 2010<br>£'000 |
|-------------------------------------|---------------|---------------|
| Finished goods and goods for resale | 10,515        | 6,832         |

The replacement cost of stock did not differ significantly from the figures shown.

**Azelis UK Life Sciences Limited**  
Company Registration No 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**12. Debtors**

|                                    | <b>2011</b>   | <b>2010</b>   |
|------------------------------------|---------------|---------------|
|                                    | <b>£'000</b>  | <b>£'000</b>  |
| Trade debtors                      | 13,202        | 1,120         |
| Amounts owed by group undertakings | 17,323        | 17,153        |
| Other debtors                      | 10,633        | 3,082         |
| VAT receivable                     | -             | 468           |
| Deferred tax asset (see note 14)   | 24            | 19            |
| Prepayments and accrued income     | 165           | 130           |
|                                    | <u>41,347</u> | <u>21,972</u> |

Amounts owed by group undertakings include an unsecured £12,000,000 loan made to Azelis UK Limited (formerly Chance & Hunt Limited) on 1 December 2009. The loan is automatically renewed for a period of three months if neither party gives notice to terminate it. Interest is charged at Euribor rate plus 3%.

The directors have produced forecasts that support the recoverability of the deferred tax asset.

**13. Creditors: amounts falling due within one year**

|                                    | <b>2011</b>   | <b>2010</b>   |
|------------------------------------|---------------|---------------|
|                                    | <b>£'000</b>  | <b>£'000</b>  |
| Bank overdraft                     | 459           | 3,112         |
| Trade creditors                    | 9,870         | 5,521         |
| Amounts owed to group undertakings | 22,527        | 1,534         |
| Taxation and social security       | 291           | 93            |
| Corporation tax                    | 1,419         | 797           |
| Other creditors                    | 10            | 6             |
| Accruals and deferred income       | 642           | 1,049         |
|                                    | <u>35,218</u> | <u>12,112</u> |

**14. Deferred taxation**

|   | <b>2011</b>  | <b>2010</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Asset at beginning of year                                | 19           | 61           |
| Charge to the profit and loss account for the year/period | 5            | (42)         |
| Asset at end of year                                      | <u>24</u>    | <u>19</u>    |

The deferred tax asset is included within debtors (see note 12).



**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**14. Deferred taxation (continued)**

The elements of deferred taxation are as follows

|   | <b>2011</b><br><b>£'000</b> | <b>2010</b><br><b>£'000</b> |
|---|-----------------------------|-----------------------------|
| Difference between accumulated depreciation and amortisation and capital allowances | 2                           | 6                           |
| Other timing differences  | (26)                        | 13                          |
| Undiscounted deferred tax asset   | <u>24</u>                   | <u>19</u>                   |

**15. Called up share capital**

|   | <b>2011</b>    |              | <b>2010</b>    |              |
|---|----------------|--------------|----------------|--------------|
|   | <b>Number</b>  | <b>£'000</b> | <b>Number</b>  | <b>£'000</b> |
| <b>Authorised</b>                           |                |              |                |              |
| Equity Ordinary shares of £1 each           | <u>115,000</u> | <u>115</u>   | <u>115,000</u> | <u>115</u>   |
| <b>Authorised, called up and fully paid</b> |                |              |                |              |
| Equity Ordinary shares of £1 each           | <u>115,000</u> | <u>115</u>   | <u>115,000</u> | <u>115</u>   |
| Shares classified in shareholders' funds    | <u>115,000</u> | <u>115</u>   | <u>115,000</u> | <u>115</u>   |

**16. Share premium and reserves**

|                      | <b>Share premium account</b><br><b>£'000</b> | <b>Profit and loss account</b><br><b>£'000</b> |
|----------------------|--|--|
| At beginning of year | 404  | 23,680   |
| Profit for the year  | -  | 3,888  |
| At end of year       | <u>404</u>                                   | <u>27,568</u>                                  |

**17. Reconciliation of movements in shareholder's funds**

|                                     | <b>2011</b><br><b>£'000</b> | <b>2010</b><br><b>£'000</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Profit for the financial period     | <u>3,888</u>                | <u>5,610</u>                |
| Net addition to shareholder's funds | 3,888                       | 5,610                       |
| Opening shareholder's funds         | <u>24,199</u>               | <u>18,589</u>               |
| Closing shareholder's funds         | <u>28,087</u>               | <u>24,199</u>               |

**Notes to the financial statements**  
**Year ended 31 December 2011**

**18. Commitments**

At 31 December 2011 the company was committed to making the following annual payments under non-cancellable operating leases

|                               | Land and buildings |            | Other      |           |
|-------------------------------|--------------------|------------|------------|-----------|
|                               | 2011               | 2010       | 2011       | 2010      |
|                               | £'000              | £'000      | £'000      | £'000     |
| Operating leases which expire |                    |            |            |           |
| Within one year               | -                  | -          | 11         | -         |
| Between two and five years    | 62                 | 62         | 167        | 71        |
| Over five years               | 330                | 330        | -          | -         |
|                               | <u>392</u>         | <u>392</u> | <u>178</u> | <u>71</u> |

**19 Remuneration of directors**

|   | 2011     | 2010       |
|---|----------|------------|
|   | £'000    | £'000      |
| Directors' emoluments                                   | -        | 190        |
| Company contributions to money purchase pension schemes | -        | 62         |
|   | <u>-</u> | <u>252</u> |

The aggregate of emoluments of the highest paid director was £nil (2010 £101,000), and Company pension contributions of £ nil (2010 £36,000) were made to a money purchase scheme on his behalf

|   | Number of employees |      |
|---|---------------------|------|
|   | 2011                | 2010 |
|   | No.                 | No.  |
| Retirement benefits are accruing to the following number of directors under |                     |      |
| Defined contribution schemes  | -                   | 2    |

**20. Pension scheme**

The Company operates a defined contribution pension scheme

The pension cost charge for the period represents contributions payable by the Company to the company pension schemes and amounted to £183,000 (2010 £188,000) There were outstanding contributions at the period end of £nil (2010 £nil)

**21. Related party disclosure**

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions or balances with wholly-owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

**Azelis UK Life Sciences Limited**  
Company Registration No. 00934139

**Notes to the financial statements**  
**Year ended 31 December 2011**

**22. Ultimate parent company and parent undertaking of largest group of which the company is a member**

The Company is a subsidiary undertaking of Azelis Holding SA which is the ultimate parent company incorporated in Luxembourg

The largest group and smallest group in which the results of the Company are consolidated is that headed by Azelis Holding SA. The consolidated financial statements of this group are available to the public and may be obtained from 20 Rue de la Poste, L-2346 Luxembourg

**23. Contingent liabilities**

The company is co-guarantor and obligor, along with Azelis UK Holdings Limited and Azelis UK Limited of the net overdrafts of the Azelis UK group at 31 December 2011