

Company Registration No. 00934139

S Black Limited

Report and Financial Statements

31 December 2009

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S Black Limited

Report and financial statements 2009

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S Black Limited

Company Registration number 00934139

Report and financial statements 2009

Officers and professional advisers

Directors

Mr S Black

Dr GE Ewart (resigned 28 02 2009)

Mr NL Berry

Mr AG Raybould

Mr JB Lowten (resigned 31 03 09)

Mr JR Tass (resigned 31 08 09)

Mr DM McCabe

Dr PR Fields (resigned 31 07 09)

Secretary

Mrs P E Sutton

Registered Office

Foxholes Business Park John Tate Road

Hertford

Hertfordshire

SG13 7YH

Bankers

Fortis Bank SA

5 Aldermanbury Square London

EC2V 7HR

Auditors

Deloitte LLP

Chartered Accountants

2 New Street Square

London

EC4A 3BZ

S Black Limited
Company Registration Number 00934139

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

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 maintain a strong, profitable business, 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.

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 ended 31 December 2009	to Year ended 31 December 2008	18 months to 31 December 2007
Sales (£'000)	41,726	37,743	52,707
Profit before tax (£'000)	3,027	746	4,579
Return on capital employed*	20.0%	4.5%	18.7%

**(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.

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.

S Black Limited

Directors' report (continued)

Directors

The directors who held office during the year are shown on page 1

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 (2008 £nil) Donations to UK charities amounted to £800 (2008 £1,200)

Auditors

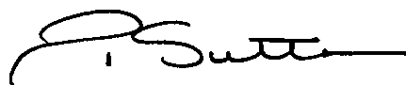
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are 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



P E Sutton
Secretary

19 April 2010

S Black Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally 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 auditors' report to the members of S Black Limited

We have audited the financial statements of S Black Limited for the year ended 31 December 2009 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 auditors' 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 auditors

As more fully explained in the Directors' Responsibilities Statements, 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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 other matters prescribed by 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 S Black 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 Auditors
London, United Kingdom
21 April 2010

S Black Limited

Profit and loss account Year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	2	41,726	37,743
Cost of sales		(32,764)	(30,767)
Gross profit		8,962	6,976
Distribution costs		(244)	(554)
Administrative expenses (including restructuring costs of £568,000 in 2009)		(5,565)	(5,686)
Operating profit		3,153	736
Interest receivable and similar income	5	43	11
Interest payable and similar charges	6	(168)	(1)
Profit on ordinary activities before taxation	3	3,028	746
Taxation	7	(861)	(254)
Profit for the financial year		2,167	492

There are no differences between reported profits and historical cost profits in either the current year or the preceding period

All current year and previous period's results are derived from continuing activities

The only recognised gains or losses in the current year or preceding period are those above

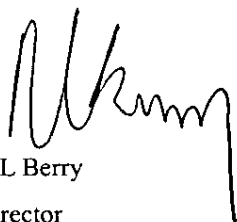
S Black Limited

Balance sheet 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	8	22	13
Tangible assets	9	803	842
Investments	10	789	789
		<u>1,614</u>	<u>1,644</u>
Current assets			
Stocks		5,633	5,120
Debtors	11	14,875	6,492
Cash at bank and in hand		4,849	10,240
		<u>25,357</u>	<u>21,852</u>
Creditors, amounts falling due within one year	12	<u>(8,382)</u>	<u>(7,074)</u>
Net current assets		<u>16,975</u>	<u>14,778</u>
Net assets		<u>18,589</u>	<u>16,422</u>
Capital and reserves			
Called up share capital	14	115	115
Share premium account	15	404	404
Profit and loss account	15	18,070	15,903
Shareholder's funds		<u>18,589</u>	<u>16,422</u>

The financial statements of S Black Limited registered number 00934139 were approved by the Board of Directors on
19 April 2010

Signed on behalf of the Board of Directors


N L Berry
Director

S Black Limited

Notes to the accounts

Year ended 31 December 2009

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 modified to include the revaluation of listed investments

Under Financial Reporting Standard I (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the 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 20

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 2009, the company has positive net assets and net current assets, is profit making and has sufficient financial resources with which to support itself As a result, after making enquiries, the directors have a 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 asset and listed investments are stated at cost less provision for impairment value

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

S Black Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies (continued)

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 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 despatch of goods.

S Black Limited

Notes to the accounts

Year ended 31 December 2009

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:

	2009 £'000	2008 £'000
United Kingdom	34,791	30,917
Rest of the world	6,395	6,826
	<u>41,726</u>	<u>37,743</u>

3. Profit on ordinary activities before taxation

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and other amounts written off tangible fixed assets	279	335
Amortisation of goodwill	25	8
Hire of plant and machinery —rentals payable under operating leases	-	2
Hire of other assets - operating leases	392	296
(Profit)/loss on sale of fixed assets	(2)	(13)
Exchange (gains)/losses	(84)	235
	<u></u>	<u></u>

Auditors' remuneration:

	2009 £'000	2008 £'000
Audit of the Company's financial statements	22	38
Other services relating to taxation	-	5
All other services	-	1
	<u></u>	<u></u>

Remuneration of directors

	2009 £'000	2008 £'000
Directors' emoluments	448	664
Company contributions to money purchase pension schemes	78	43
	<u>526</u>	<u>707</u>

The aggregate of emoluments of the highest paid director was £ 158,000 (2008: £170,000), and Company pension contributions of £40,000 (2008: £15,000) were made to a money purchase scheme on his behalf.

S Black Limited

Notes to the accounts

Year ended 31 December 2009

		Number of employees	
		2009	2008
		No	No.
Retirement benefits are accruing to the following number of directors under			
Defined contribution schemes		2	5
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	
		2009	2008
		No.	No.
Sales and support		88	92
The aggregate payroll costs of these persons were as follows			
		2009	2008
		£'000	£'000
Wages and salaries		2401	3,148
Social security costs		270	329
Other pension costs		153	129
		2,824	3,606
5.	Interest receivable and similar income		
		2009	2008
		£'000	£'000
Other interest receivable		43	11
		43	11
6	Interest payable and similar charges		
		2009	2008
		£'000	£'000
Other interest payable		168	1
		168	1

S Black Limited

Notes to the accounts

Year ended 31 December 2009

7. Taxation

Analysis of charge in period

	2009 £'000	2008 £'000
<i>UK corporation tax</i>		
Current tax on income for the period	833	209
Adjustments in respect of prior periods	-	18
Total current tax	833	227
<i>Deferred tax (see note 13)</i>		
Origination/reversal of timing differences	28	27
Tax on profit on ordinary activities	861	254

The current tax charge for the period is lower (2008 higher) than the standard rate of corporation tax in the UK (28% (2008 28.5%)). The differences are explained below

	2009 £'000	2008 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,027	746
Current tax at 28 % (2008 28.5%)	848	213
Effects of		
Expenses not deductible for tax purposes	8	11
Differences between capital allowances and depreciation	1	2
Other short term timing differences	(29)	(15)
Short lease premium	(2)	(2)
Adjustments to tax charge in respect of prior periods	7	18
Group relief received in respect of prior year	-	(91)
Group relief received in respect of current year	(577)	(208)
Payment for group relief	577	299
Total current tax charge (see above)	833	227

S Black Limited

Notes to the accounts Year ended 31 December 2009

8. Intangible fixed assets

	Goodwill and total £'000
Cost	
At 1 January 2009	589
Additions	34
	<u>623</u>
At 31 December 2009	<u>623</u>
Amortisation	
At 1 January 2009	576
Charge for the year	25
	<u>601</u>
At 31 December 2009	<u>601</u>
Net book value	
At 31 December 2009	<u>22</u>
At 31 December 2008	<u>13</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

	Leasehold improvements equipment £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2009	53	1,675	933	641	3,302
Additions	-	282	-	-	282
Disposals	-	-	-	(153)	(153)
	<u>53</u>	<u>1,957</u>	<u>933</u>	<u>488</u>	<u>3,431</u>
At 31 December 2009	<u>53</u>	<u>1,957</u>	<u>933</u>	<u>488</u>	<u>3,431</u>
Accumulated depreciation					
At 1 January 2009	12	1,407	720	321	2,460
Charge for the year	7	122	38	112	279
Disposals	-	-	-	(111)	(111)
	<u>19</u>	<u>1,529</u>	<u>758</u>	<u>322</u>	<u>2,628</u>
At 31 December 2009	<u>19</u>	<u>1,529</u>	<u>758</u>	<u>322</u>	<u>2,628</u>
Net book value					
At 31 December 2009	<u>34</u>	<u>428</u>	<u>175</u>	<u>166</u>	<u>803</u>
At 31 December 2008	<u>41</u>	<u>268</u>	<u>213</u>	<u>320</u>	<u>842</u>

S Black Limited

Notes to the accounts

Year ended 31 December 2009

10. Fixed asset investments

	Shares in group undertakings £'000	Listed investments £'000	Unlisted investments £'000	Total £000
Cost				
At beginning and end of year	762	17	10	789
Net book value				
At 31 December 2009	762	17	10	789
At 31 December 2008	762	17	10	789

At 31 December 2009 the market value of the listed investments was £ 47,000 (2008 £44,000) The entities in which the Company's interest at the period end is greater than 20% are as follows

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of ordinary shares held
S Black GmbH	Germany	Sale and distribution of speciality	90%
S Black (Import & Export) Limited	England and Wales	Dormant	100%

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

11. Debtors

	2009 £'000	2008 £'000
Trade debtors	1,640	5,864
Amounts owed by group undertakings	12,452	61
Other debtors	563	139
Corporation tax recoverable	-	90
Deferred tax asset (see note 13)	61	89
Prepayments and accrued income	159	249
	<u>14,875</u>	<u>6,492</u>

Amounts owed by group undertakings relate entirely to an unsecured £12,000,000 loan made to Chance & Hunt Ltd 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

S Black Limited

Notes to the accounts

Year ended 31 December 2009

12. Creditors, amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	6,218	5,408
Amounts owed to group undertakings	1,133	735
Taxation and social security	340	165
Corporation tax	171	-
Other creditors	44	221
Accruals and deferred income	476	545
	<u>8,382</u>	<u>7,074</u>

13. Deferred taxation

	2009 £'000	2008 £'000
Asset/(liability) at beginning of year	89	116
(Charge)/credit to the profit and loss account for the year/period	(28)	(27)
Asset at end of year	<u>61</u>	<u>89</u>

The deferred tax asset is included within debtors (see note 11)

The elements of deferred taxation are as follows

	2009 £'000	2008 £'000
Difference between accumulated depreciation and amortisation and capital allowances	24	61
Other timing differences	37	28
Undiscounted deferred tax asset	<u>61</u>	<u>89</u>

14 Called up share capital

	2009		2008	
	Number	£'000	Number	£'000
Authorised				
Equity Ordinary shares of £1 each	<u>115,000</u>	<u>115</u>	<u>115,000</u>	<u>115</u>
Authorised, called up and fully paid				
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>

S Black Limited

Notes to the accounts

Year ended 31 December 2009

15. Share premium and reserves

	Share premium account £'000	Profit and loss account £'000
At beginning of year	404	15,903
Profit for the year	-	2,167
At end of year	404	18,070

16. Reconciliation of movements in shareholder's funds

	2009 £'000	2008 £'000
Profit for the financial period	2,167	492
Net addition to shareholder's funds	2,167	492
Opening shareholder's funds	16,422	15,930
Closing shareholder's funds	18,589	16,422

17. Commitments

- (a) There are no capital commitments at the end of the financial year (2008 £nil)
- (b) Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2009 £'000	2008 £'000
Operating leases which expire Over five years	392	377

18. 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 £154,000 (2008 £129,000) There were outstanding contributions at the period end of £nil (2008 £nil)

19. Related party disclosure

Mr S Black is a director and shareholder of SBS Worldwide Limited which invoiced the Company £419,463 (2008 £464,677) in respect of freight charges on imported materials during the period All transactions were conducted at an arm's length basis on normal trading terms At 31 December 2009 the net amount due to SBS Worldwide Limited was £45,000 (2008 £51,000) and is included in creditors

S Black Limited

Notes to the accounts

Year ended 31 December 2009

20. 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

21. Contingent liabilities

The Company acts as a guarantor to the Azelis SA group bank debt and is jointly and severably liable in that regard