Company Registration No. 6042621

Lionel Hitchen USA Limited

Report and Financial Statements

30 September 2011



Lionel Hitchen USA Limited

Report and financial statements 2011

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Lionel Hitchen USA Limited

Report and financial statements 2011

Officers and professional advisers

Directors

Mrs A M Barnes
A L Hitchen
P T Hitchen

Secretary

Mrs A M Barnes

Registered Office

Hill House
1 Little New Street
London
EC4A 3TR

Bankers

Wells Fargo
420 Montgomery Street
San Francisco,
California 94104

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Lionel Hitchen USA Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2011

Review of developments and future prospects

The company acts as a merchant of essential oils and flavouring materials in the United States of America The directors intend that the company will continue with this trade on this basis for the foreseeable future The company made a profit of £147,647 (2010 £47,398) As stated in note 1 to the financial statements, the financial statements have been presented on a going concern basis

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

There have been no significant events since the balance sheet date

Dividends

The directors do not recommend payment of a dividend for the year (2010 £nil)

Directors

The present directors are shown on page 1 All directors served throughout the year

Audit information

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

- as 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 provision of s418 of the Companies Act 2006

Auditor

Deloitte LLP were appointed auditors of the company during the year

The company has elected to dispense with the obligation to appoint auditors annually Deloitte LLP shall be deemed to be re-appointed as auditor for a further term

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

Mrs A M Barnes
Secretary
10th February 2012

Lionel Hitchen USA 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 accounting 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 and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditor's report to the members of Lionel Hitchen USA Limited

We have audited the financial statements of Lionel Hitchen USA Limited for the year ended 30 September 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13 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 Directors' Responsibilities Statement, 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 Practices Board's Ethical Standards for Auditors

Scope of the audit of the 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 30 September 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 other matter prescribed by the Companies Act 2006

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

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Mary Reilly, Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
13th February 2012

Lionel Hitchen USA Limited

Profit and loss account
Year ended 30 September 2011

	Notes	2011 £	2010 £
Turnover	1	6,160,137	5,849,535
Operating profit	3	151,279	37,297
Interest receivable and similar income		1,118	682
Interest payable and similar charges	4	(12,361)	(11,656)
Exchange gain		77,449	1,883
Operating profit on ordinary activities before taxation		217,485	28,206
Tax credit on (loss)/profit on ordinary activities	5	(70,018)	19,192
Retained profit for the period	11	147,467	47,398

All activities derive from continuing operations

There are no recognised gains or losses for the current year or preceding period other than as stated in the profit and loss account Consequently no statement of total recognised gains and losses has been presented

Lionel Hitchen USA Limited

Balance sheet
30 September 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	6	2,541	3,254
Current assets			
Stocks	7	486,590	1,014,497
Debtors	8	717,252	1,025,997
Cash at bank and in hand		419,804	193,059
		1,623,646	2,233,553
Creditors: amounts falling due within one year	9	(1,247,763)	(2,005,850)
Net current assets		375,883	227,703
Net assets		378,424	230,957
Capital and reserves			
Called up share capital	10	85,000	85,000
Profit and loss account		293,424	145,957
Shareholders' funds	11	378,424	230,957

The financial statements of Lionel Hitchen USA Limited (registered number 6042621) were approved by the Board of Directors on 10th February 2012

Signed on behalf of the Board of Directors

AL Hitchen
Director

Lionel Hitchen USA Limited

Notes to the accounts
Year ended 30 September 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards The particular accounting policies adopted, which have been applied consistently throughout the year and preceding period, are described below

Accounting convention

The financial statements are prepared under the historical cost convention

Going concern

The directors have considered the financial position, resources and revenue streams of the company in the foreseeable future 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 accounts. The Company has net assets of £378,424 including cash reserves of £419,804 and hold no external debt

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation Depreciation is provided in instalments over the estimated useful lives of the assets and is calculated on the cost or the written down value of the assets

Furniture and fixtures	15%

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates or 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date Deferred tax is measured on a non-discounted basis

Turnover

Turnover represents sales by the company excluding value added tax

A geographical analysis of turnover is not presented as, in the opinion of the directors, this would be prejudicial to the interests of the company

Revenue is recognised on dispatch of goods

Stocks

Stocks are stated at the lower of cost and net realisable value

Notes to the accounts
Year ended 30 September 2011

1. Accounting policies (continued)

Presentational currency

The US dollar is the functional currency Transactions are recorded initially in US Dollars The financial statements are presented in sterling

Foreign exchange

Transactions denominated in foreign currencies are translated and recorded at the rates ruling at the beginning of the month in which the transaction took place

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date

Translation differences arising are dealt with in the profit and loss account

Cash flow statement

The company has not prepared a cash flow statement as it meets the exemption criteria for applying FRS 1 (Revised) The applicable criteria are that more than 90% of the company's voting rights are controlled within the Lionel Hitchen (Essential Oils) Limited that its cash flows are included in the group consolidated financial statements, and that those group financial statements are publicly available

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term even if the payments are not made on such a basis

2. Information regarding directors and employees

No director received any remuneration in the year or preceding period The directors are remunerated by Lionel Hitchen (Essential Oils) Limited

	2011 £	2010 £
Staff costs during the period		
Wages and salaries	187,331	169,740
Social security costs	6,902	8,132
	194,233	177,872
	No.	**No.**
Average number of persons employed		
Administration	2	2

3. Operating profit

	2011 £	2010 £
Operating profit is stated after charging		
Fees payable to the company's auditors for the audit of the company's annual accounts	1,250	1,250
Operating lease charges	13,262	13,158
Depreciation	956	921

Notes to the accounts
Year ended 30 September 2011

4. Interest payable and similar charges

	2011 £	2010 £
Intercompany charges payable	12,361	11,536
Third party charged payable	-	120
	12,361	11,656

5. Tax on profit/(loss) on ordinary activities

	2011 £	2010 £
Corporation tax		
Corporation tax charge for the year	59,500	6,080
Relief for overseas taxation	(59,500)	(6,080)
Total current tax charge	-	-
Current year deferred tax credit	-	(42)
Adjustment in respect of prior years	-	-
Total deferred tax credit	-	(42)
Overseas current tax charge for the year	70,018	14,600
Adjustments in respect of prior years	-	(33,750)
Total taxation on profit on ordinary activities	70,018	(19,192)

Factors affecting tax charge for the current year

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK 27 5% The differences are explained below

	2011 £	2010 £
Profit/loss on ordinary activities before tax	217,485	28,206
Tax 27 5 % (2011), 21% (2010) thereon	59,808	5,923
Effects of		
Expenses not deductible for tax purposes	183	126
Depreciation in excess of capital allowances	65	31
Group relief surrendered for nil consideration	-	-
Adjustment in respect of prior period years	-	(33,750)
Overseas taxation	70,018	14,600
Double tax relief	(59,500)	(6,080)
Marginal relief	(556)	
	70,018	(19,150)

Notes to the accounts
Year ended 30 September 2011

6. Tangible fixed assets

	Furniture and fixtures £
Cost:	
At 1 October 2010	5,960
Additions	526
Exchange gain	79
At 30 September 2011	6,565
Accumulated depreciation:	
At 1 October 2010	2,706
Charge for the year	956
Exchange gain	362
At 30 September 2011	4,024
Net book value:	
At 30 September 2011	2,541
At 30 September 2010	3,254

7. Stocks

	2011 £	2010 £
Finished goods	486,590	1,014,497

8. Debtors

	2011 £	2010 £
Trade debtors	715,839	921,328
Prepayments	1,413	1,412
Corporation tax debtor	-	103,257
	717,252	1,025,997

Notes to the accounts
Year ended 30 September 2011

9. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	280,543	471,100
Amounts due to group company	944,257	1,534,702
Tax creditor	22,915	-
Deferred tax	48	48
	1,247,763	2,005,850

Amounts owed to group undertakings are non-interest bearing and repayable on demand

Deferred tax

	2011 £	2010 £
Opening balance	48	90
Credit to profit and loss account	-	(42)
Deferred tax liability at 30 September	48	48

Analysis of deferred tax balance

	2011 £	2010 £
Capital allowances in excess of depreciation	48	48
Closing balance	48	48

10. Share capital

	2011 £	2010 £
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid:		
85,000 ordinary shares of £1 each	85,000	85,000

Notes to the accounts
Year ended 30 September 2011

11. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit/(loss) attributable to the members of the company	147,467	47,398
Opening shareholders' funds	230,957	183,559
Closing shareholders' funds	378,424	230,957

12. Guarantees and other commitments

Lease obligations

The company has commitments to pay annual operating lease rentals as follows

	2011 £	2010 £
Commitments expiring		
- within one year	6,800	6,510

13. Ultimate parent company and controlling party

The company is a subsidiary of Lionel Hitchen (Essential Oils) Limited

The largest and smallest group in which the results of the company are consolidated is Lionel Hitchen (Essential Oils) Limited

Copies of the group financial statements of Lionel Hitchen (Essential Oils) Limited are available from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ