

**Company Registration No. 6042621**

**Lionel Hitchen USA Limited**

**Report and Financial Statements**

**30 September 2012**



# **Lionel Hitchen USA Limited**

## **Report and financial statements 2012**

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# **Lionel Hitchen USA Limited**

## **Report and financial statements 2012**

### **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 2012

### **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 £107,159 (2011 £147,647). 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 (2011 £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 auditor of the company during the year.

The company has elected to dispense with the obligation to appoint an auditor 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

30 January 2013

# **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 2012 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 2012 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

30<sup>th</sup> January 2013

## **Lionel Hitchen USA Limited**

### **Profit and loss account Year ended 30 September 2012**

|                                                                | Notes | 2012<br>£        | 2011<br>£        |
|----------------------------------------------------------------|-------|------------------|------------------|
| <b>Turnover</b>                                                | 1     | <u>2,845,988</u> | <u>6,160,137</u> |
| <b>Operating profit</b>                                        | 3     | 160,134          | 151,279          |
| Interest receivable and similar income                         |       | 1                | 1,118            |
| Interest payable and similar charges                           | 4     | (6,517)          | (12,361)         |
| Exchange (loss) gain                                           |       | <u>(85,619)</u>  | <u>77,449</u>    |
| <b>Operating profit on ordinary activities before taxation</b> |       | 67,999           | 217,485          |
| Tax on profit on ordinary activities                           | 5     | <u>39,160</u>    | <u>(70,018)</u>  |
| <b>Retained profit for the period</b>                          | 11    | <u>107,159</u>   | <u>147,467</u>   |

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.

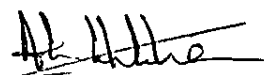
# Lionel Hitchen USA Limited

## Balance sheet 30 September 2012

|                                                       | Notes | 2012<br>£ | 2011<br>£   |
|-------------------------------------------------------|-------|-----------|-------------|
| <b>Fixed assets</b>                                   |       |           |             |
| Tangible assets                                       | 6     | 1,147     | 2,541       |
| <b>Current assets</b>                                 |       |           |             |
| Stocks                                                | 7     | 224,635   | 486,590     |
| Debtors                                               | 8     | 215,625   | 717,252     |
| Cash at bank and in hand                              |       | 213,531   | 419,804     |
|                                                       |       | 653,791   | 1,623,646   |
| <b>Creditors' amounts falling due within one year</b> | 9     | (169,355) | (1,247,763) |
| <b>Net current assets</b>                             |       | 484,436   | 375,883     |
| <b>Net assets</b>                                     |       | 485,583   | 378,424     |
| <b>Capital and reserves</b>                           |       |           |             |
| Called up share capital                               | 10    | 85,000    | 85,000      |
| Profit and loss account                               |       | 400,583   | 293,424     |
| <b>Shareholders' funds</b>                            | 11    | 485,583   | 378,424     |

The financial statements of Lionel Hitchen USA Limited (registered number 6042621) were approved by the Board of Directors on 30 January 2013

Signed on behalf of the Board of Directors



AL Hitchen  
Director

# **Lionel Hitchen USA Limited**

## **Notes to the accounts Year ended 30 September 2012**

### **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 £485,583 including cash reserves of £213,531 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.

# Lionel Hitchen USA Limited

## Notes to the accounts Year ended 30 September 2012

### 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.

|                                    | 2012<br>£     | 2011<br>£      |
|------------------------------------|---------------|----------------|
| Staff costs during the period      |               |                |
| Wages and salaries                 | 54,166        | 187,331        |
| Social security costs              | 3,748         | 6,902          |
|                                    | <u>57,914</u> | <u>194,233</u> |
|                                    | No.           | No.            |
| Average number of persons employed |               |                |
| Administration                     | <u>1</u>      | <u>2</u>       |

### 3. Operating profit

|                                                                                      | 2012<br>£  | 2011<br>£  |
|--------------------------------------------------------------------------------------|------------|------------|
| Operating profit is stated after charging                                            |            |            |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 1,250      | -          |
| Operating lease charges                                                              | 12,675     | 13,262     |
| Depreciation                                                                         | <u>470</u> | <u>956</u> |

# Lionel Hitchen USA Limited

## Notes to the accounts Year ended 30 September 2012

### 4. Interest payable and similar charges

|                              | 2012<br>£    | 2011<br>£     |
|------------------------------|--------------|---------------|
| Intercompany charges payable | 6,517        | 12,361        |
|                              | <u>6,517</u> | <u>12,361</u> |

### 5. Tax on profit on ordinary activities

|                                                 | 2012<br>£       | 2011<br>£     |
|-------------------------------------------------|-----------------|---------------|
| <i>Corporation tax</i>                          |                 |               |
| Corporation tax charge for the year             | 14,748          | 59,500        |
| Relief for overseas taxation                    | (14,748)        | (59,500)      |
| Total current tax charge                        | <u>-</u>        | <u>-</u>      |
| Overseas current tax charge for the year        | 55,735          | 70,018        |
| Adjustments in respect of prior years           | (94,895)        | -             |
| Total taxation on profit on ordinary activities | <u>(39,160)</u> | <u>70,018</u> |

#### *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 25%. The differences are explained below

|                                                | 2012<br>£       | 2011<br>£     |
|------------------------------------------------|-----------------|---------------|
| Profit on ordinary activities before tax       | 67,999          | 217,485       |
| Tax 25 %, (2011 27.5%) thereon                 | 17,000          | 59,808        |
| Effects of                                     | (15)            |               |
| Profit on sales of fixed assets                |                 |               |
| Expenses not deductible for tax purposes       | 8               | 183           |
| Depreciation in excess of capital allowances   | 29              | 65            |
| Group relief surrendered for nil consideration | -               | -             |
| Adjustment in respect of prior period years    | (94,895)        | -             |
| Overseas taxation                              | 55,735          | 70,018        |
| Double tax relief                              | (14,748)        | (59,500)      |
| Marginal relief                                | (2,274)         | (556)         |
|                                                | <u>(39,160)</u> | <u>70,018</u> |

# Lionel Hitchen USA Limited

## Notes to the accounts Year ended 30 September 2012

### 6. Tangible fixed assets

|                                  | <b>Furniture<br/>and<br/>fixtures<br/>£</b> |
|----------------------------------|---------------------------------------------|
| <b>Cost:</b>                     |                                             |
| At 1 October 2011                | 6,565                                       |
| Additions                        | -                                           |
| Disposals                        | (1,364)                                     |
| Exchange loss                    | (200)                                       |
|                                  | <hr/>                                       |
| At 30 September 2012             | 5,001                                       |
| <b>Accumulated depreciation:</b> |                                             |
| At 1 October 2011                | 4,024                                       |
| Charge for the year              | 470                                         |
| Disposals                        | (499)                                       |
| Exchange loss                    | (141)                                       |
|                                  | <hr/>                                       |
| At 30 September 2012             | 3,854                                       |
| <b>Net book value:</b>           |                                             |
| At 30 September 2012             | <hr/> 1,147 <hr/>                           |
| At 30 September 2011             | <hr/> 2,541 <hr/>                           |

### 7. Stocks

|                | <b>2012<br/>£</b> | <b>2011<br/>£</b> |
|----------------|-------------------|-------------------|
| Finished goods | 224,635           | 486,590           |
|                | <hr/>             | <hr/>             |

### 8. Debtors

|               | <b>2012<br/>£</b> | <b>2011<br/>£</b> |
|---------------|-------------------|-------------------|
| Trade debtors | 215,625           | 715,839           |
| Prepayments   | -                 | 1,413             |
|               | <hr/>             | <hr/>             |
|               | 215,625           | 717,252           |
|               | <hr/>             | <hr/>             |

# Lionel Hitchen USA Limited

## Notes to the accounts Year ended 30 September 2012

### 9. Creditors: amounts falling due within one year

|                              | 2012<br>£      | 2011<br>£        |
|------------------------------|----------------|------------------|
| Trade creditors              | 158,011        | 280,543          |
| Amounts due to group company | 346            | 944,257          |
| Tax creditor                 | 10,998         | 22,915           |
| Deferred tax                 | -              | 48               |
|                              | <u>169,355</u> | <u>1,247,763</u> |

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

#### *Deferred tax*

|                                        | 2012<br>£ | 2011<br>£ |
|----------------------------------------|-----------|-----------|
| Opening balance                        | 48        | 48        |
| Credit to profit and loss account      | (48)      | -         |
| Deferred tax liability at 30 September | <u>-</u>  | <u>48</u> |

#### *Analysis of deferred tax balance*

|                                              | 2012<br>£ | 2011<br>£ |
|----------------------------------------------|-----------|-----------|
| Capital allowances in excess of depreciation | -         | 48        |
| Closing balance                              | <u>-</u>  | <u>48</u> |

### 10. Share capital

|                                            | 2012<br>£        | 2011<br>£        |
|--------------------------------------------|------------------|------------------|
| <b>Authorised:</b>                         |                  |                  |
| 1,000,000 ordinary shares of £1 each       | <u>1,000,000</u> | <u>1,000,000</u> |
| <b>Called up, allotted and fully paid:</b> |                  |                  |
| 85,000 ordinary shares of £1 each          | <u>85,000</u>    | <u>85,000</u>    |

## **Lionel Hitchen USA Limited**

### **Notes to the accounts**

**Year ended 30 September 2012**

#### **11. Reconciliation of movements in shareholders' funds**

|                                                   | <b>2012</b>    | <b>2011</b>    |
|---------------------------------------------------|----------------|----------------|
|                                                   | <b>£</b>       | <b>£</b>       |
| Profit attributable to the members of the company | 107,159        | 147,467        |
| Opening shareholders' funds                       | 378,424        | 230,957        |
| Closing shareholders' funds                       | <u>485,583</u> | <u>378,424</u> |

#### **12. Guarantees and other commitments**

##### **Lease obligations**

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

|                                           | <b>2012</b>  | <b>2011</b>  |
|-------------------------------------------|--------------|--------------|
|                                           | <b>£</b>     | <b>£</b>     |
| Commitments expiring<br>- within one year | <u>1,010</u> | <u>6,800</u> |

#### **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