

DKSH Great Britain Limited

Annual Report and financial statements

Registered number 00287620

31 December 2009

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Directors' report for the year ended 31 December 2009

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

Principal activities

DKSH is the No 1 Market Expansion Services Group. DKSH helps companies to grow their business in new and existing markets. Our clients wish to sell products, and our customers look to buy or to resell clients' products. We expand their access to knowledge, their sourcing base, their revenue opportunities, and their market shares. Providing business partners with a comprehensive package of services to reach their individual goals is what we call Market Expansion Services – a professional approach to effectively outsourcing specialized business functions.

Business review

2009 was a challenging but successful year and against a tough market backdrop, we have traded solidly throughout this financial year, especially our Speciality Chemical Industry Business Line which faced drastic “destocking” from its customer base in the first few months of the year, which resulted in very low level of orders booked. At the end of May 2009 we were at only 80% of Net Sales compared to 2008, but the situation improved steadily and exceeded the results of 2008 during the remaining months, so that we ended up 2009 at 99% revenues compared to 2008.

We have further improved efficiency and improved our business processes. In January 2009 we implemented a new customer credit policy which is being supported by credit insurance. Also as expected, we centralised the foreign currency hedging in the overall DKSH Group's new Finance Centre in Singapore.

DKSH's management is well aware of the importance of the British market and appointed a new Managing Director from the beginning 2009. The company has continued in 2009 as a business line driven operation for ingredients within the Personal Care & Household, Food & Beverages, Pharmaceutical and Specialty Chemicals Industries. We have maintained our focus on close contact to customer to enable our sales team to proactively deliver new concepts and ideas to our customers. The company has used the 2009 economic downturn opportunities to recruit an experienced sales manager which will strengthen the sales team enabling them to maximise new opportunities in the predicted economic upturn.

To support the development of this concept the DKSH Group is building a food and cosmetic application centre in Lyon, France which is being opened early 2010.

Our loyal employees have contributed greatly to our results in this challenging year and we would like to thank them all for their hard work, dedication and professionalism.

Financial Instruments

The company's financial instruments comprise cash, intercompany creditors and other items such as trade debtors and creditors that arise directly from its operations. Derivative instruments in the form of forward contracts are held to manage foreign exchange risk as noted above. The DKSH group manages its liquidity and cash flow risk through the use of its central finance centre in Singapore borrowing as and when required. The company monitors credit risk through regular monitoring of amounts outstanding for both time and credit limits.

Results and dividends

The results for the year are shown in the Profit and Loss Account on page 4 of this report.

The directors propose a dividend of £263,235 (2008: £146,354) in respect of the year ended 31 December 2009. An ordinary dividend of £146,354 (2008: £1,721,523) was paid during the year in respect of the year ending 2008.

Directors' report *(continued)*

Directors

Directors who held office during the year were as follows

J W Wolle (Chairman)
G Tsering
J Roemling (Resigned 19th July 2010)
M Caspani (Appointed 19th July 2010)

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 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.

Statement on disclosure of information to auditors

So far as each director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he ought to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

By order of the board


Marco Caspani

Director

15 September 2010

Registered number 00287620

Independent auditors' report to the members of DKSH Great Britain Limited

We have audited the financial statements of DKSH Great Britain Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 matter prescribed by the Companies Act 2006

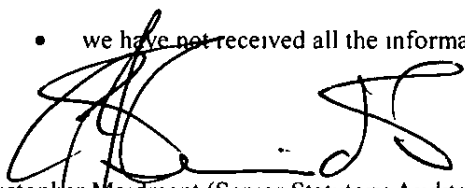
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of DKSH Great Britain 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



Christopher Maidment (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

21 September 2010

Profit and loss account

for the year ended 31 December 2009

	<i>Note</i>	2009 £	2008 £
Turnover	<i>1</i>	9,879,319	9,939,060
Cost of sales		(7,610,804)	(7,908,665)
Gross profit		2,268,515	2,030,395
Administrative expenses		(1,812,974)	(1,808,852)
Operating profit	<i>2</i>	455,541	221,543
Interest receivable	<i>5</i>	-	31,375
Interest payable	<i>5</i>	(7,779)	(1,881)
Profit on ordinary activities before taxation		447,762	251,037
Tax on profit on ordinary activities	<i>6</i>	(96,782)	(55,898)
Profit for the financial year	<i>16</i>	350,980	195,139


The company has no recognised gains or losses in the year other than the profit for the financial year stated above, all of which relates to continuing activities

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Balance sheet
at 31 December 2009

	<i>Note</i>	2009 £	2008 £
Fixed Assets			
Tangible Assets	8	212,450	212,090
Current assets			
Stocks	9	1,045,639	1,029,282
Debtors	10	1,909,240	1,850,440
Cash at bank and in hand		146,372	208,048
		<u>3,101,251</u>	<u>3,087,770</u>
Creditors amounts falling due within one year	11	(1,420,032)	(1,610,817)
		<u>1,681,219</u>	<u>1,476,953</u>
Net current assets			
		<u>1,893,669</u>	<u>1,689,043</u>
Capital and reserves			
Called up share capital	13	375,000	375,000
Profit and loss account	16	1,518,669	1,314,043
Shareholder's funds	17	<u>1,893,669</u>	<u>1,689,043</u>

These financial statements on pages 5 to 14 were approved by the board of directors on 15/9/10 and were signed on its behalf by


Marco Caspani
Director
15 September 2010

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

The principal accounting policies, which have been applied consistently, are set out below

Basis of preparation

The financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and UK applicable accounting standards and under the historical cost accounting rules

Cash flow

The company is exempt from the requirement of Financial Reporting Standard 1 (revised 1996) to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of DKSH Holding AG, and its cash flows are included within the consolidated cash flow statement of that company

Related party transactions

The company has taken advantage of the exemption stated in FRS 8 that allows the non disclosure of transactions or balances with entities that are part of the group or investments of the group qualifying as related parties where 90% of the company's voting rights are controlled within the group

Deferred tax

Deferred tax is recognised in respect of all timing differences arising from the different treatments for accounts and tax purposes of transactions or events recognised in the financial statements of the current and previous financial years. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred taxation is calculated at the rates at which it is estimated that tax will arise. Deferred tax assets and liabilities recognised have not been discounted.

Operating leases

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

Pension costs

Contributions payable under defined contribution schemes are charged to the profit and loss account in the period in which they fall due.

Turnover

Turnover represents the invoiced amount of goods, net of value added tax. All turnover and profit before taxation is derived from the company's principal activity of specialist chemical distributors. Turnover is recognised when goods are delivered to customers. Turnover is predominantly proportionally derived from the following countries:

	2009	2008
	%	%
United Kingdom	58	59
Australia	25	34
Rest of world	17	7

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 contracted rate or 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.

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on a straight line basis so as to write off the cost of tangible fixed assets over their expected useful lives at the following annual rates:

Leasehold improvements	13 1/3%
Computer hardware	33 1/3%
Computer software	33 1/3%
Furniture & Equipment	20%

Stocks

Stocks, all of which are goods held for resale, are stated at the lower of weighted average cost and net realisable value.

2 Operating Profit

	2009 £	2008 £
Operating Profit is stated after charging:		
Auditors' remuneration - as auditors	13,200	13,000
- tax services	4,000	2,917
Operating lease rentals - land and buildings	115,850	96,235
- other	5,725	5,725
Depreciation	54,648	49,284
Foreign exchange (gains)/losses	(143,960)	464,717
	<u> </u>	<u> </u>

3 Remuneration of directors

	2009 £	2008 £
Emoluments	-	111,325
Company contributions to money purchase pension schemes	-	11,154
Compensation for loss of office	-	113,820
	<u> </u>	<u> </u>
	-	236,299
	<u> </u>	<u> </u>

During the year, no director (2008 1) was a member of the defined contributions pension scheme. In the current year, all directors were remunerated by other group companies. A recharge of £92,289 was made in respect of their services to the company.

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

4 Employee numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2009 Number	2008 Number
Trading	10	9
Administrative	5	6
	<u>15</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Salaries	517,727	777,592
Social security costs	49,131	85,461
Other pension costs	41,424	60,606
	<u>608,282</u>	<u>923,659</u>

5 Interest

	2009 £	2008 £
Amounts receivable on bank balances	-	31,375
Amounts receivable on intercompany balances	-	-
	<u>-</u>	<u>31,375</u>
Amounts payable on bank loans and overdrafts	<u>(7,779)</u>	<u>(1,881)</u>

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

6 Taxation on the profit for the year

	2009 £	2008 £
Current tax:		
UK corporation tax on profits for the year	125,373	71,545
Adjustment in respect of prior years	(28,591)	(15,647)
	<hr/>	<hr/>
Total current tax on profit on ordinary activities	96,782	55,898
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

	2009 £	2008 £
Profit on ordinary activities before tax	447,762	251,037
	<hr/>	<hr/>
Current tax at 28 % (2008 28.5%)	125,373	71,545
Effect of Adjustment in respect of prior years	(28,591)	(15,647)
	<hr/>	<hr/>
Total current tax charge for the year	96,782	55,898
	<hr/>	<hr/>

There are no material timing differences between the treatment of items for accounting and taxation purposes that give rise to deferred taxation

7 Dividend

	2009 £	2008 £
Equity – ordinary		
Final dividend paid £0.39 (2008 £2.19) per £1 share	146,354	821,523
Interim dividend paid £nil (2008 £2.40) per £1 share	-	900,000
	<hr/>	<hr/>
	146,354	1,721,523
	<hr/>	<hr/>
Final dividend proposed £0.61 (2008 £0.39) per £1 share	263,235	146,354
	<hr/>	<hr/>

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

8 Tangible fixed assets

	Leasehold Improvements	Computer hardware	Furniture & Equipment	Computer software	Total
	£	£	£	£	£
Cost					
At 1 January 2009	172,769	29,287	84,260	2,211	288,527
Additions	-	3,854	1,122	50,032	55,008
At 31 December 2009	172,769	33,141	85,382	52,243	343,535
Depreciation					
At 1 January 2009	36,171	14,265	24,521	1,480	76,437
Charge for the year	23,733	9,815	19,821	1,279	54,648
At 31 December 2009	59,904	24,080	44,342	2,759	131,085
Net book value					
At 31 December 2009	112,865	9,061	41,040	49,484	212,450
At 31 December 2008	136,598	15,022	59,739	731	212,090

9 Stocks

	2009 £	2008 £
Goods for resale	1,045,639	1,029,282

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

10 Debtors

	2009 £	2008 £
Trade debtors	1,673,040	1,630,380
Amounts owed by group undertakings	107,615	20,051
Other debtors	7,949	4,743
Prepayments	66,287	49,197
Corporation tax recoverable	54,349	146,069
	<u>1,909,240</u>	<u>1,850,440</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand

11 Creditors – amounts falling due within one year

	2009 £	2008 £
Trade creditors	432,878	798,078
Amounts owed to group undertakings	827,998	513,283
Other taxation and social security	33,485	23,518
Accruals	125,671	275,938
	<u>1,519,788</u>	<u>1,610,817</u>

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

12 Forward contracts

The Company had outstanding forward transactions to hedge foreign currencies as follows at 31 December 2009 of £2,039,674 (2008 £1,018,701) Based on the year end exchange rates, these contracts have an unrealised loss of £54,616 at 31 December 2009 (2008 gain - £317,068)

Maturing within one year	2009	In Currency 2008	2009	In sterling 2008
To hedge future purchase payments in US Dollars	\$43,990	\$141,256	£27,238	£97,608
To hedge future purchase payments in Euro	€202,881	€188,629	£180,132	£167,396
To hedge future purchase payments in Japanese Yen	275,615,001	¥137,244,400	£1,832,304	£753,697

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

13 Called up share capital

	2009 £	2008 £
Authorised		
500,000 Ordinary Shares of £1 each	500,000	500,000
	<hr/>	<hr/>
Allotted, Issued and fully paid		
375,000 Ordinary Shares of £1 each	375,000	375,000
	<hr/>	<hr/>

14 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings	Other	Land and buildings	Other
	2009 £	2009 £	2008 £	2008 £
Less than one year			-	-
Within two to five years	-	5,725	-	5,725
After five years	118,850	-	86,100	-
	<hr/>	<hr/>	<hr/>	<hr/>

15 Pension Scheme

The Company operates a defined contribution pension scheme open to directors and employees. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £41,424 (2008 £60,606)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

16 Profit & loss account

	Profit and loss account £
At 1 January 2009	1,314,043
Profit for the financial year	350,980
Dividends paid	(146,354)
	<hr/>
At 31 December 2009	1,518,669
	<hr/>

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Shareholders' funds at beginning of year	1,689,043	3,215,427
Profit for the financial year	350,980	195,139
Dividends paid	(146,354)	(1,721,523)
Shareholders' funds at end of year	<u>1,893,669</u>	<u>1,689,043</u>

18 Ultimate parent and controlling undertaking

The Company is a wholly owned subsidiary undertaking of DKSH Holdings AG incorporated in Switzerland, and the Directors consider this to be the controlling party. DKSH Holdings AG is the ultimate holding company of the DKSH Group. The majority shareholder of the DKSH Group is Diethelm Keller Holding Limited, a privately held limited liability company incorporated and domiciled in Switzerland.

The largest group in which the results of the Company are consolidated is that headed by DKSH Holdings AG, incorporated in Switzerland. The consolidated accounts of this Company are available to the public and may be obtained from Wellington House, 60-68 Wimbledon Hill Road, Wimbledon, SW19 7PA. No other group accounts include the results of the Company.