

  
**Company Registration No. 1396772**

**ST IVES BLACKBURN LIMITED**

**Annual Report and Financial Statements**

**Fifty two weeks ended 29 July 2011**

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**ST IVES BLACKBURN LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2011**

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## **ST IVES BLACKBURN LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

M Armitage

A Butler

(Resigned on 12 August 2011)

S Downey

P Martell

K McAvan

(Appointed on 20 September 2011)

G Richell

R Varney

(Resigned on 25 October 2010)

#### **SECRETARY**

P Harris

#### **REGISTERED OFFICE**

1 Tudor Street

London EC4Y 0AH

#### **BANKERS**

HSBC Bank plc

76 Edgware Road

London W2 2EQ

#### **SOLICITORS**

Herbert Smith LLP

Exchange House

Primrose Street

London EC2A 2HS

#### **INDEPENDENT AUDITOR**

Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds

## **ST IVES BLACKBURN LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the fifty two weeks ended 29 July 2011 ("the financial year") Comparative figures are for the fifty two weeks ended 30 July 2010

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

Following the continued decline in the market for the company's products and services, a decision was taken on 6 January 2012 to cease operations and to close the Blackburn site. It is the directors' intention that the company will become dormant. Accordingly the financial statements have been prepared on a basis other than that of a going concern.

The company's loss for the financial year after tax, as shown in the profit and loss account on page 6 of the financial statements, amounted to £2,018,672 (2010 – loss £635,355). The directors do not recommend the payment of a final dividend (2010 – £nil).

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year-end has, in net asset terms, improved since the prior year-end due to the capital contribution from the company's parent St Ives Holdings Ltd partially offset by the loss arising in the year.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's sales are invoiced in Sterling and exposure to movement in foreign exchange rates is minimal. Where significant exposure might arise, no risk is borne directly by this company as the group's treasury function takes out contracts to manage this risk at a group level. Bank balances and group loans carry variable interest fixed by reference to Sterling base rates. Thus, while base rate changes affect interest, the potential impact is not expected to be material.

### **DIRECTORS**

The directors, who served throughout the year and up to the date of this report (except as noted), are shown on page 1.

### **DIRECTORS' INDEMNITIES**

The ultimate parent company has made qualifying third party indemnity provisions for the benefit of certain of its directors which remain in force at the date of this Report.

### **AUDITOR**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

## **ST IVES BLACKBURN LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **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.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

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

Approved by the board of directors and signed on its behalf by



P Harris  
Secretary  
2 March 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST IVES BLACKBURN LIMITED**

We have audited the financial statements of St Ives Blackburn Limited for the fifty two weeks ended 29 July 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for preparing 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 (APB'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 29 July 2011 and of its loss for the fifty two weeks then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of Companies Act 2006.

### **Emphasis of Matter - Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **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 AUDITOR'S REPORT TO THE MEMBERS OF ST IVES BLACKBURN 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



**Matthew Hughes ACA (Senior Statutory Auditor)**

**for and on behalf of Deloitte LLP**

Chartered Accountants and Statutory Auditor

Leeds, United Kingdom

2 March 2012

**ST IVES BLACKBURN LIMITED**

**PROFIT AND LOSS ACCOUNT**

Fifty two weeks ended 29 July 2011

		52 weeks to 29 July 2011			52 weeks to 30 July 2010		
	Note	Before restruct- uring, provision releases and other one-off items £	Restruct- uring, provision releases and other one-off items (note 4) £	Total £	Before restruct- uring, provision releases and other one-off items £	Restruct- uring, provision releases and other one-off items (note 4) £	Total £
<b>TURNOVER</b>	2	12,513,340	–	12,513,340	13,199,435	–	13,199,435
Cost of sales		(11,613,454)	(1,269,998)	(12,883,452)	(11,624,707)	–	(11,624,707)
<b>GROSS (LOSS)/PROFIT</b>		899,886	(1,269,998)	(370,112)	1,574,728	–	1,574,728
Selling expenses		(864,195)	–	(864,195)	(926,948)	–	(926,948)
Administrative expenses		(1,420,994)	–	(1,420,994)	(1,418,195)	(100,000)	(1,518,195)
Profit on disposal of fixed assets		5,936	–	5,936	143	–	143
<b>OPERATING LOSS</b>	4	(1,379,367)	(1,269,998)	(2,649,365)	(770,272)	(100,000)	(870,272)
Interest payable and similar charges	5	(48,097)	–	(48,097)	(58,177)	–	(58,177)
<b>LOSS BEFORE TAX</b>		(1,427,464)	(1,269,998)	(2,697,462)	(828,449)	(100,000)	(928,449)
Tax credit on loss	6	373,563	305,227	678,790	265,094	28,000	293,094
<b>LOSS FOR THE FINANCIAL YEAR</b>	14, 17	<u>(1,053,901)</u>	<u>(964,771)</u>	<u>(2,018,672)</u>	<u>(563,355)</u>	<u>(72,000)</u>	<u>(635,355)</u>

All transactions are derived from continued operations

There are no recognised gains or losses in either the current or previous financial years other than the losses disclosed in the profit and loss account. Accordingly no separate statement of total recognised gains and losses is required.



**ST IVES BLACKBURN LIMITED**

Company Registration No. 1396772

**BALANCE SHEET**  
29 July 2011

		29 July 2011	30 July 2010
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	—	1,556,096
<b>CURRENT ASSETS</b>			
Stocks	8	350,658	345,346
Debtors – amounts due within one year	9	2,778,852	1,800,656
Debtors – amounts due in greater than one year	9	—	177,896
Cash at bank and in hand		420,880	381
		<u>3,550,390</u>	<u>2,324,279</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(2,997,493)</u>	<u>(4,285,604)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>552,897</u>	<u>(1,961,325)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>552,897</u>	<u>(405,229)</u>
<b>PROVISIONS FOR LIABILITIES</b>	12	<u>(10,000)</u>	<u>(33,202)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>542,897</u></u>	<u><u>(438,431)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,000	1,000
Profit and loss account	14	541,897	(439,431)
<b>SHAREHOLDER'S FUNDS / (DEFICIT)</b>	17	<u><u>542,897</u></u>	<u><u>(438,431)</u></u>

The accompanying notes are an integral part of this balance sheet

These financial statements were approved by the board of directors and authorised for issue on 2 March 2012 and signed on its behalf by



M Armitage  
Director

## ST IVES BLACKBURN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Fifty two weeks ended 29 July 2011

#### 1 ACCOUNTING POLICIES

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

##### **(a) Accounting convention**

###### *Going concern*

As explained in the Directors' Report the company has ceased trading and it is the directors' intention that the company will become dormant. In accordance with FRS18 "Accounting Policies" the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

##### **(b) Accounting period**

The financial statements are prepared for the fifty two weeks ended 29 July 2011 ("the financial year"). Comparative figures are for the fifty two weeks ended 30 July 2010.

##### **(c) Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover is recognised when goods and services have been delivered and ownership has passed.

##### **(d) Distribution costs**

Distribution costs are included within cost of sales on the face of the profit and loss account as these form an integral part of the company's service to its customers.

##### **(e) Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation and provision for impairment. Depreciation is not provided on freehold land or assets in the course of construction. Depreciation is provided on cost less estimated residual value, in equal annual instalments over the estimated useful economic lives of the assets. The annual rates of depreciation are as follows:

Plant and machinery	10% – 33.33%
Fixtures, fittings and equipment	15% – 50%
Motor vehicles	25%

##### **(f) Stocks**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads. Provision is made for obsolete, slow moving or defective items where appropriate.

## **ST IVES BLACKBURN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **Fifty two weeks ended 29 July 2011**

#### **1 ACCOUNTING POLICIES (continued)**

##### ***(g) Tax***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

##### ***(h) Foreign currencies***

The transactions of the company denominated in foreign currencies are translated into Sterling at the rate ruling at the date of the transaction. Amounts receivable and payable denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These exchange differences are included in loss on ordinary activities before tax

##### ***(i) Pension costs***

The ultimate parent company, St Ives plc, operates a defined benefits pension scheme and a defined contribution scheme on behalf of the group in which employees of the company participate. The company accounts for the defined benefits pension scheme as if it were a defined contribution scheme under the provisions of Financial Reporting Standard 17 'Retirement Benefits' applicable to multi-employer schemes as the assets and liabilities in the scheme cannot be allocated on a consistent and reasonable basis. Pension costs for the group's defined benefits scheme are charged against profits as payable. Further details are set out in note 16

##### ***(j) Leases***

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of leases

##### ***(k) Cash flows***

A statement of cash flows has not been prepared as, in accordance with Financial Reporting Standard 1 (Revised) "Cash Flow Statements", cash flow information has been shown in the financial statements of the ultimate parent company

# ST IVES BLACKBURN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Fifty two weeks ended 29 July 2011

### 2 TURNOVER

The geographical analysis of turnover by destination is stated below

	2011 £	2010 £
United Kingdom	9,428,649	11,699,445
Rest of the World	3,084,691	1,499,990
	<u>12,513,340</u>	<u>13,199,435</u>

The directors consider that the company has only one class of business and consequently no further analysis of turnover or loss is given

### 3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

All directors are remunerated by other group companies for their services to the group as a whole and it is not practicable to apportion their remuneration between the companies of which they are a director. Consequently their remuneration has not been disclosed in the company's financial statements. The remuneration of M Armitage and P Martell is disclosed in the Annual Report and Accounts of St Ives plc. The remuneration of A Butler, G Richell, S Downey and R Varney are included in the financial statements of St Ives Direct Limited.

	2011 £	2010 £
<b>Employee costs during the financial year:</b>		
Wages and salaries	3,210,961	3,376,135
Social security costs	316,211	299,995
Pension costs – defined benefits	6,098	26,206
Pension costs – defined contribution	58,517	50,336
	<u>3,591,787</u>	<u>3,752,672</u>

	2011 Number	2010 Number
<b>Monthly average number of persons employed:</b>		
Production	109	112
Sales	9	10
Administration and management	11	12
	<u>129</u>	<u>134</u>

# ST IVES BLACKBURN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Fifty two weeks ended 29 July 2011

### 4 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	9,500	10,000
Depreciation	479,863	742,116
Operating lease rentals – land and buildings	180,000	175,000
Operating lease rentals – plant and machinery	10,614	–
Profit on disposal of fixed assets	(5,936)	(143)
Exceptional costs relating to the restructuring of the business *	90,985	100,000
Impairment of plant and equipment *	1,179,013	–

\* 'Restructuring, provision releases and other one-off items' included in the profit and loss account impairment of plant and machinery of £1,179,013 (2010 - £nil), and restructuring costs of the business of £90,985 (2010 - £100,000)

Fees paid to the company's auditor, Deloitte LLP, for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated accounts of the company's ultimate parent company, St Ives plc, are required to disclose non-audit fees on a consolidated basis

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	48,097	58,177

**ST IVES BLACKBURN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Fifty two weeks ended 29 July 2011**

**6 TAX ON LOSS ON ORDINARY ACTIVITIES**

**(a) Analysis of tax credit**

	2011 £	2010 £
<b>Current tax:</b>		
UK corporation tax credit at 27 33% (2010 – 28%) based on the loss for the financial year	(408,827)	–
Group relief for current period	–	(214,255)
Adjustments in respect of prior periods	<u>26,793</u>	<u>4,663</u>
Total current tax	(382,034)	(209,592)
<b>Deferred tax (note 10):</b>		
Timing differences, origination and reversal	(280,435)	(29,969)
Adjustments in respect of prior periods	<u>(16,321)</u>	<u>(53,533)</u>
Total deferred tax charge to profit and loss account	<u>(296,756)</u>	<u>(83,502)</u>
Total tax on loss on ordinary activities	<u>(678,790)</u>	<u>(293,094)</u>

**(b) Reconciliation of tax credit**

	2011 £	2010 £
Loss before tax	<u>(2,697,462)</u>	<u>(928,449)</u>
UK corporation tax credit at 27 33% (2010 – 28%) based on the loss for the financial year	(737,216)	(259,966)
<b>Effects of:</b>		
Disallowed expenses and non-taxable income	6,090	9,154
Capital allowances in excess of depreciation	322,354	39,598
Movement in short-term timing differences	(55)	(3,041)
Adjustments in respect of prior periods	<u>26,793</u>	<u>4,663</u>
Current tax credit	<u>(382,034)</u>	<u>(209,592)</u>

The UK statutory corporation tax rate reduced from 28% to 27% from 1 April 2011 and the effective tax rate for the period to 29 July 2011 reduced accordingly. The statutory corporation tax will reduce to 25% on 1 April 2012 and this is expected to reduce the effective tax rate of the company in 2012.

# ST IVES BLACKBURN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Fifty two weeks ended 29 July 2011

### 7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost:</b>				
At 31 July 2010	10,620,068	311,844	21,097	10,953,009
Additions	102,780	–	–	102,780
Disposals	(27,592)	–	(21,097)	(48,689)
Transfer from group companies	–	–	14,309	14,309
At 29 July 2011	<u>10,695,256</u>	<u>311,844</u>	<u>14,309</u>	<u>11,021,409</u>
<b>Accumulated depreciation.</b>				
At 31 July 2010	9,076,690	299,126	21,097	9,396,913
Charge for the year	473,278	6,585	–	479,863
Impairment	1,172,880	6,133	–	1,179,013
Disposals	(27,592)	–	(21,097)	(48,689)
Transfer from group companies	–	–	14,309	14,309
At 29 July 2011	<u>10,695,256</u>	<u>311,844</u>	<u>14,309</u>	<u>11,021,409</u>
<b>Net book value:</b>				
At 29 July 2011	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 30 July 2010	<u>1,543,378</u>	<u>12,718</u>	<u>–</u>	<u>1,556,096</u>

### 8 STOCKS

	2011 £	2010 £
Raw materials and consumables	186,461	183,360
Work in progress	143,817	161,986
Finished goods	20,380	–
	<u>350,658</u>	<u>345,346</u>

There are no material differences between replacement cost and the values shown above for all stock categories for either year

**ST IVES BLACKBURN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Fifty two weeks ended 29 July 2011**

**9 DEBTORS**

	2011 £	2010 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,060,334	1,023,056
VAT and other taxes	14,788	49,122
Group tax relief receivable	382,034	209,592
Amounts owed by group undertakings	681,401	413,163
Prepayments and accrued income	110,125	79,371
Other debtors	55,518	26,352
Deferred tax asset (note 10)	474,652	–
	<u>2,778,852</u>	<u>1,800,656</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 10)	–	177,896
	<u>–</u>	<u>177,896</u>
	<u><u>2,778,852</u></u>	<u><u>1,978,552</u></u>

**10 DEFERRED TAX ASSET**

	£
Balance at 31 July 2010	177,896
Credit to the profit and loss account	296,756
	<u>474,652</u>
Balance at 29 July 2011	<u><u>474,652</u></u>

The amounts of deferred tax recognised in the financial statements are as follows

	2011 £	2010 £
Depreciation in excess of capital allowances	471,095	175,620
Short term timing differences	3,557	2,276
	<u>474,652</u>	<u>177,896</u>



# ST IVES BLACKBURN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Fifty two weeks ended 29 July 2011

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank overdraft	–	1,978,227
Trade creditors	1,876,280	1,471,704
Amounts owed to group undertakings	461,938	246,570
Other creditors	6,825	39,370
Accruals	652,450	549,733
	<u>2,997,493</u>	<u>4,285,604</u>

The company guarantees the loans and overdrafts of St Ives plc and certain of its subsidiary undertakings. At 29 July 2011 the aggregate liability under this guarantee amounted to £30,442,366 (2010 – £125,324,500)

### 12 PROVISIONS FOR LIABILITIES

	Restruct- uring £
Balance at 31 July 2010	33,202
Charge to the profit and loss account	10,000
Utilised in the year	(33,202)
	<u>10,000</u>
Balance at 29 July 2011	<u>10,000</u>

The restructuring provision relates to the restructuring costs and is expected to be utilised within 12 months of the balance sheet date

### 13 CALLED UP SHARE CAPITAL

	Number of shares	2011 £	2010 £
<b>Called up, allotted and fully paid:</b>			
Ordinary shares of £1.00 each	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

# ST IVES BLACKBURN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Fifty two weeks ended 29 July 2011

### 14 RESERVES

	Profit and loss account £
Balance at 31 July 2010	(439,431)
Capital contribution	3,000,000
Loss for the financial year	(2,018,672)
	<hr/>
Balance at 29 July 2011	<u>541,897</u>

A capital contribution of £3,000,000 in cash was made in the period by the company's immediate parent, St Ives Holdings Limited

### 15 OPERATING LEASE COMMITMENTS

The following commitments in respect of operating leases are due for payment during the next year

	2011 Land and buildings £	2011 Other £	2010 Land and buildings £	2010 Other £
<b>Leases which expire:</b>				
Within one year	–	–	180,000	–
Within two to five years	–	10,614	–	–
After five years	180,000	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	180,000	10,614	180,000	–
	<hr/>	<hr/>	<hr/>	<hr/>

## ST IVES BLACKBURN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

Fifty two weeks ended 29 July 2011

#### 16 PENSION COMMITMENTS

The company participates in both the defined benefit and defined contribution schemes operated by St Ives plc. The defined benefit scheme is a multi-employer scheme, the assets and liabilities of which are held in separate trustee administered funds. The pension costs are based on pension costs across the group as a whole. For the defined contribution scheme, the profit and loss charge represents contributions payable.

The pension costs of the company are disclosed in note 3.

The defined benefit scheme was closed to new entrants with effect from 6 April 2002 and closed to future benefits accrual with effect from 31 August 2008. The company made monthly contributions to a recovery plan which is intended to eliminate the overall deficit in the defined benefit scheme over a ten-year period.

The ultimate parent company, St Ives plc, is required to account for the defined benefit scheme under International Accounting Standard 19 "Employee Benefits" ("IAS19"). The IAS19 disclosures in the Annual Report and Accounts of St Ives plc have been based on the results of the actuarial valuation of the defined benefit scheme as at April 2010 adjusted to allow for the assumptions and actuarial methodology required by IAS19 and updated to 29 July 2011 by the scheme's actuary. These disclosures show that the scheme's assets represented 92.5 per cent of the scheme's liabilities. The company is unable to identify its share of the underlying assets and liabilities of the defined benefits scheme, since contributions are set for the scheme as a whole rather than reflecting the actuarial characteristics of the employees of the company.

Additional disclosures required by Financial Reporting Standard 17 have been made in the financial statements of St Ives plc.

#### 17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS / (DEFICIT)

	2011 £	2010 £
Opening shareholder's (deficit)/funds	(438,431)	196,924
Capital contribution (Note 14)	3,000,000	—
Loss for the financial year	(2,018,672)	(635,355)
Closing shareholder's funds/(deficit)	<u>542,897</u>	<u>(438,431)</u>

#### 18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with St Ives plc group companies.

#### 19 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's ultimate parent company and ultimate controlling party is St Ives plc, a company incorporated and registered in England and Wales. The immediate parent company and immediate controlling party is St Ives Holdings Limited also incorporated and registered in England and Wales. Copies of the financial statements of St Ives plc and St Ives Holdings Limited can be obtained from the Company Secretary at the registered office 1 Tudor Street, London EC4Y 0AH.

The largest and smallest group in which the results of the company are consolidated is that headed by St Ives plc.