

**Company Registration No. 1396772**

**ST IVES BLACKBURN LIMITED**

**Annual Report and Financial Statements**

**Fifty two weeks ended 30 July 2010**

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**ST IVES BLACKBURN LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2010**

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## **ST IVES BLACKBURN LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

M Armitage

A Butler

(Appointed on 1 June 2010)

S Downey

(Appointed on 1 June 2010)

B Edwards

(Resigned on 3 August 2009)

P Martell

G Richell

(Appointed on 1 June 2010)

R Varney

(Resigned on 25 October 2010)

#### **SECRETARY**

P Harris

#### **REGISTERED OFFICE**

St Ives House  
Lavington Street  
London SE1 0NX

#### **BANKERS**

HSBC Bank plc  
76 Edgware Road  
London W2 2EQ

#### **SOLICITORS**

Herbert Smith LLP  
Exchange House  
Primrose Street  
London EC2A 2HS

#### **INDEPENDENT AUDITORS**

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Leeds

## **ST IVES BLACKBURN LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the fifty two weeks ended 30 July 2010 ("the financial year") Comparative figures are for the fifty two weeks ended 31 July 2009

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

The company is a wholly owned subsidiary of St Ives plc and operates as part of the St Ives plc group's ("the group") Commercial Products business segment The company's principal activity is specialist printing for the music and multimedia industries and general commercial printing There have not been any significant changes in the company's principal activities in the year under review The directors are not aware, at the date of this Report, of any likely major changes in the company's activities in the coming year

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 £635,355 (2009 – loss £373,371) The directors do not recommend the payment of a dividend (2009 – £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 liability terms, deteriorated since the prior year-end due to the loss arising in the financial year

The group manages its operations under two principal business segments The performance of the Commercial Products segment of St Ives plc, which includes the company, is discussed in the group's Annual Report and Accounts which does not form part of this Report For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development and performance of the company during the year or the position of its particular business at the end of the year

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors The company manages this risk by providing added value services to its customers, delivering fast response times, not only in supplying products but also in handling all customer queries, and by maintaining strong relationships with customers

All markets served by the company are influenced by the economic climate and in particular customer confidence The company will continue to keep this risk under review

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

The company's credit risk is primarily attributable to its trade debtors The amounts presented in the balance sheet are net of provisions for doubtful debts An allowance for impairment is made where there is an identified loss event which, based on previous experience and the terms of any credit insurance policy which may apply at the time of the loss event, is evidence of a reduction in the recoverability of cash flows The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies The company has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers

Group risks are discussed in St Ives plc's Annual Report and Accounts which does not form part of this Report

## **ST IVES BLACKBURN LIMITED**

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

#### **FUTURE PROSPECTS**

The company continues to focus on the UK market, where a quick turnaround is required and overseas competition is less able to compete

The conditions of the markets served by the company are unlikely to improve significantly in the short term as we continue to experience the downward effect on margins of over-capacity. Given the group's backing, the company is financially sound, which is of attraction to those customers who place a value on continuity of supply.

The directors are of the opinion that, given a favourable set of economic conditions, the company is well placed to perform satisfactorily during the coming year.

#### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly and as explained in Note 1, they continue to adopt the going concern basis in preparing the financial statements.

#### **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.

#### **SUPPLIER PAYMENT POLICY**

It is the company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. The average creditor days outstanding at 30 July 2010 were 65 (2009 – 61).

#### **EMPLOYMENT POLICIES**

The company is an Equal Opportunities Employer and no job applicant or employee receives less favourable treatment on the grounds of age, sex, marital status, race, colour, sexual orientation, religious or philosophical beliefs.

It is the policy of the company that people with disabilities, whether registered disabled or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The company is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's ability.

Employees of the company are regularly consulted by the directors and managers and kept informed of matters affecting them and the overall development of the company.

The company has a positive approach to health and safety at work and regards compliance with statutory requirements as a minimum standard. Resources are available to ensure that continuing progress is made towards achieving a healthier and safer working environment for all employees.

## **ST IVES BLACKBURN LIMITED**

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

#### **ENVIRONMENT**

The St Ives group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in St Ives plc's Annual Report and Accounts which does not form part of this Report.

#### **AUDITORS**

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 auditors in the absence of an Annual General Meeting.

#### **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 judgments 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 AUDITORS**

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

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

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

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



P Harris  
Secretary  
29 October 2010

## **INDEPENDENT AUDITORS' 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 30 July 2010 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As 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 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.

### **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 July 2010 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.

### **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.



**Christopher Powell FCA (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditors  
Leeds, United Kingdom  
29 October 2010

**ST IVES BLACKBURN LIMITED**

**PROFIT AND LOSS ACCOUNT**

**Fifty two weeks ended 30 July 2010**

<b>52 weeks to 30 July 2010</b>				<b>52 weeks to 31 July 2009</b>			
		<b>Before restruct- uring, provision releases and other one-off items £</b>	<b>Restruct- uring, provision releases and other one- off items (note 4) £</b>	<b>Total £</b>	<b>Before restruct- uring, provision releases and other one-off items £</b>	<b>Restruct- uring, provision releases and other one- off items (note 4) £</b>	<b>Total £</b>
	<b>Note</b>						
<b>TURNOVER</b>	2	13,199,435	–	13,199,435	11,957,652	–	11,957,652
Cost of sales		(11,624,707)	–	(11,624,707)	(9,293,967)	(515,164)	(9,809,131)
<b>GROSS PROFIT/(LOSS)</b>		1,574,728	–	1,574,728	2,663,685	(515,164)	2,148,521
Selling expenses		(926,948)	–	(926,948)	(715,370)	–	(715,370)
Administrative expenses		(1,418,195)	(100,000)	(1,518,195)	(1,493,939)	(167,693)	(1,661,632)
Profit/(loss) on disposal of fixed assets		143	–	143	915	(80,836)	(79,921)
<b>OPERATING (LOSS)/PROFIT</b>	4	(770,272)	(100,000)	(870,272)	455,291	(763,693)	(308,402)
Interest payable and similar charges	5	(58,177)	–	(58,177)	(49,522)	–	(49,522)
<b>(LOSS)/PROFIT BEFORE TAX</b>		(828,449)	(100,000)	(928,449)	405,769	(763,693)	(357,924)
Tax credit/(charge) on (loss)/profit	6	265,094	28,000	293,094	(229,281)	213,834	(15,447)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	14, 17	<u>(563,355)</u>	<u>(72,000)</u>	<u>(635,355)</u>	<u>176,488</u>	<u>(549,859)</u>	<u>(373,371)</u>

All transactions are derived from continuing operations

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

The accompanying notes are an integral part of this profit and loss account



**ST IVES BLACKBURN LIMITED**

Company Registration No. 1396772

**BALANCE SHEET**  
30 July 2010

		30 July 2010	31 July 2009
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	1,556,096	2,421,345
<b>CURRENT ASSETS</b>			
Stocks	8	345,346	280,071
Debtors – amounts due within one year	9	1,800,656	1,722,885
Debtors – amounts due in greater than one year	9	177,896	94,394
Cash at bank and in hand		381	765
		2,324,279	2,098,115
<b>CREDITORS: amounts falling due within one year</b>	11	(4,285,604)	(4,053,911)
<b>NET CURRENT LIABILITIES</b>		(1,961,325)	(1,955,796)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(405,229)	465,549
<b>PROVISIONS FOR LIABILITIES</b>	12	(33,202)	(268,625)
<b>NET (LIABILITIES)/ASSETS</b>		(438,431)	196,924
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,000	1,000
Profit and loss account	14	(439,431)	195,924
<b>SHAREHOLDER'S (DEFICIT) / FUNDS</b>	17	(438,431)	196,924

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 29 October 2010 and signed on its behalf by



M Armitage  
Director

## ST IVES BLACKBURN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Fifty two weeks ended 30 July 2010

#### 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**

The financial statements are prepared under the historical cost convention.

##### *Going concern*

The group's treasury function is responsible for managing the liquidity of the group and the company, and the ultimate parent of the company, St Ives plc, funds the operations of the company and other subsidiaries through a combination of equity, inter-company loans and bank overdrafts which it guarantees jointly with certain subsidiaries. The group has sufficient funding facilities to fund the company's operations for the next twelve months and is committed to make this funding available to the company for the next twelve months. The company is exposed to a number of risks and uncertainties as outlined in the Directors' Report but, after making enquiries into the group's and the company's financial position and considering the forecast performance at a divisional level, 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 annual report and accounts.

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

The financial statements are prepared for the fifty two weeks ended 30 July 2010 ("the financial year"). Comparative figures are for the fifty two weeks ended 31 July 2009.

##### **(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 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%

## **ST IVES BLACKBURN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Fifty two weeks ended 30 July 2010**

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

##### ***(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.

##### ***(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) Regional grants***

Regional grants are provided for and amortised in equal annual instalments over the estimated lives of the assets to which they relate.

##### ***(i) 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.

##### ***(j) 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.

##### ***(k) Leases***

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

# ST IVES BLACKBURN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Fifty two weeks ended 30 July 2010

### 1 ACCOUNTING POLICIES (continued)

#### (I) 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

### 2 TURNOVER

The geographical analysis of turnover by destination is stated below

	2010 £	2009 £
United Kingdom	11,699,445	11,719,638
Rest of the World	1,499,990	238,014
	<u>13,199,435</u>	<u>11,957,652</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 R Varney and S Downey are included in the financial statements of St Ives Direct Limited. The remuneration of A Butler and G Richell are included in the financial statements of St Ives Web Limited. The remuneration of B Edwards, M Armitage and P Martell is disclosed in the Annual Report and Accounts of St Ives plc

	2010 £	2009 £
<b>Employee costs during the financial year (including directors):</b>		
Wages and salaries	3,376,135	2,899,146
Social security costs	299,995	281,050
Pension costs – defined benefits	26,206	28,523
Pension costs – special contribution	–	167,693
Pension costs – defined contribution	50,336	42,200
	<u>3,752,672</u>	<u>3,418,612</u>
	<b>2010 Number</b>	<b>2009 Number</b>
<b>Monthly average number of persons employed (including directors):</b>		
Production	112	98
Sales	10	8
Administration and management	12	13
	<u>134</u>	<u>119</u>

## ST IVES BLACKBURN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

Fifty two weeks ended 30 July 2010

#### 4 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Fees payable to the company's auditors for the audit of the company's annual accounts	10,000	12,000
Depreciation	742,116	769,011
Operating lease rentals – land and buildings	175,000	175,000
Regional grant amortisation	–	(38,000)
Special pension contribution	–	167,693
(Profit)/loss on disposal of fixed assets	(143)	79,921
Exceptional costs relating to the restructuring of the business	100,000	515,164

'Restructuring, provision releases and other one-off items' included in the profit and loss account comprise restructuring costs of £100,000 (2009 - £515,164) in relation to the transfer of assets from the group's Crayford site. In addition for the prior year, special contributions of £167,693 to the defined benefits pension scheme is included under this classification.

Fees paid to the company's auditors, 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

	2010 £	2009 £
Bank interest	58,177	49,522

**ST IVES BLACKBURN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Fifty two weeks ended 30 July 2010**

**6 TAX (CREDIT)/CHARGE ON LOSS**

**(a) Analysis of tax (credit)/charge**

	2010 £	2009 £
<b>Current tax:</b>		
Group relief for current period	(214,255)	192,280
Adjustments in respect of prior periods	<u>4,663</u>	<u>84,237</u>
Net current tax	(209,592)	276,517
<b>Deferred tax (note 10)</b>		
Timing differences, origination and reversal	(29,969)	(260,657)
Adjustments in respect of prior periods	<u>(53,533)</u>	<u>(413)</u>
	<u>(293,094)</u>	<u>15,447</u>

**(b) Reconciliation of tax (credit)/charge**

	2010 £	2009 £
Loss before tax	<u>(928,449)</u>	<u>(357,924)</u>
UK corporation tax credit at 28% (2009 – 28%) based on the loss for the financial year	(259,966)	(100,219)
<b>Effects of</b>		
Disallowed expenses and non-taxable income	9,154	32,480
Capital allowances in deficit of depreciation	39,598	263,288
Movement in short-term timing differences	(3,041)	(3,269)
Adjustments in respect of prior periods	<u>4,663</u>	<u>84,237</u>
Current tax (credit)/charge	<u>(209,592)</u>	<u>276,517</u>

In June 2010 the UK government announced that it would introduce legislation that would reduce the corporation tax rate to 27% from 1 April 2011. This legislation was substantively enacted on 27 July 2010. The effective tax rate for the period to 30 July 2011 is expected to reduce accordingly.

**ST IVES BLACKBURN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Fifty two weeks ended 30 July 2010

**7 TANGIBLE FIXED ASSETS**

	Freehold land & buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2009	–	11,328,963	344,074	131,888	11,804,925
Additions	428,656	5,500	–	–	434,156
Disposals	–	(412,104)	(32,230)	(61,816)	(506,150)
Transfer to group companies	(428,656)	(302,291)	–	(48,975)	(779,922)
At 30 July 2010	–	10,620,068	311,844	21,097	10,953,009
<b>Accumulated depreciation:</b>					
At 1 August 2009	–	9,001,682	305,525	76,373	9,383,580
Charge for the year	–	707,834	25,833	8,449	742,116
Disposals	–	(345,328)	(32,232)	(37,043)	(414,603)
Transfer to group companies	–	(287,498)	–	(26,682)	(314,180)
At 30 July 2010	–	9,076,690	299,126	21,097	9,396,913
<b>Net book value:</b>					
At 30 July 2010	–	1,543,378	12,718	–	1,556,096
At 31 July 2009	–	2,327,281	38,549	55,515	2,421,345

**8 STOCKS**

	2010 £	2009 £
Raw materials and consumables	183,360	162,941
Work in progress	161,986	117,130
	<u>345,346</u>	<u>280,071</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 30 July 2010**

**9 DEBTORS**

	2010 £	2009 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,023,056	874,910
VAT and other taxes	49,122	144,910
Group tax relief receivable	209,592	–
Amounts owed by group undertakings	413,163	584,688
Prepayments and accrued income	79,371	68,777
Other debtors	26,352	49,600
	<u>1,800,656</u>	<u>1,722,885</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 10)	177,896	94,394
	<u>177,896</u>	<u>94,394</u>
	<u><u>1,978,552</u></u>	<u><u>1,817,279</u></u>

**10 DEFERRED TAX ASSET**

	£
Balance at 1 August 2009	94,394
Credit to the profit and loss account	83,502
Balance at 30 July 2010	<u><u>177,896</u></u>

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

	2010 £	2009 £
Depreciation in excess of capital allowances	175,620	91,340
Short term timing differences	2,276	3,054
	<u>177,896</u>	<u>94,394</u>

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

	2010 £	2009 £
Bank overdraft	1,978,227	1,253,321
Trade creditors	1,471,704	1,504,673
Amounts owed to group undertakings	246,570	328,352
Other creditors	39,370	72,429
Corporation tax payable	–	276,517
Other taxes and social security	–	216,403
Fixed asset creditors	–	2,899
Accruals	549,733	399,317
	<u>4,285,604</u>	<u>4,053,911</u>

The company guarantees the loans and overdrafts of St Ives plc and certain of its subsidiary undertakings. At 30 July 2010 the aggregate liability under this guarantee amounted to £125,324,500 (2009 – £136,725,495)



**ST IVES BLACKBURN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Fifty two weeks ended 30 July 2010**

**12 PROVISIONS FOR LIABILITIES**

	<b>Restruct- uring £</b>
Balance at 1 August 2009	268,625
Charge to the profit and loss account	100,000
Utilised in the year	(335,423)
	<hr/>
Balance at 30 July 2010	<u>33,202</u>

The restructuring provision relates to the move of assets from the Crayford site and is expected to be utilised within 12 months of the balance sheet date

**13 CALLED UP SHARE CAPITAL**

	<b>Number of shares</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Called up, allotted and fully paid.</b>			
Ordinary shares of £1 00 each	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>

**14 RESERVES**

	<b>Profit and loss account £</b>
Balance at 1 August 2009	195,924
Retained loss for the financial year	(635,355)
	<hr/>
Balance at 30 July 2010	<u>(439,431)</u>

**15 OPERATING LEASE COMMITMENTS**

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

	<b>2010 Land and buildings £</b>	<b>2009 Land and buildings £</b>
<b>Leases which expire:</b>		
Within one year	180,000	175,000
	<hr/>	<hr/>

## ST IVES BLACKBURN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

Fifty two weeks ended 30 July 2010

#### 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 6 April 2007 adjusted to allow for the assumptions and actuarial methodology required by IAS19 and updated to 31 July 2010 by the scheme's actuary. These disclosures show that the scheme's assets represented 83.5 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 (DEFICIT) / FUNDS

	2010 £	2009 £
Opening shareholder's funds	196,924	570,295
Retained loss for the financial year	(635,355)	(373,371)
Closing shareholder's (deficit)/funds	<u>(438,431)</u>	<u>196,924</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: St Ives House, Lavington Street, London SE1 0NX.

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

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