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REGISTERED NUMBER: 45024 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002
FOR
THE TINTOMETER LIMITED**



The Hopkins Partnership
CHARTERED ACCOUNTANTS

1 South Newton Trading Estate, Warminster Road,
South Newton, Salisbury SP2 0QW
Telephone: 01722 742233 Fax: 01722 742255

~~80-09-02-506~~

THE TINTOMETER LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 30 November 2002**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11

THE TINTOMETER LIMITED
COMPANY INFORMATION
for the year ended 30 November 2002

DIRECTORS:

P W Fawcett
C P Voss
S G Cooper
B C Bird
D J White

SECRETARY:

G J Belbin

REGISTERED OFFICE:

The Colour Laboratory
Waterloo Road
Salisbury
SP1 2JY

REGISTERED NUMBER:

45024 (England and Wales)

AUDITORS:

The Hopkins Partnership
Chartered Accountants
and Registered Auditors
1 South Newton Trading Estate
Warminster Road
South Newton
Salisbury
SP2 0QW

THE TINTOMETER LIMITED
REPORT OF THE DIRECTORS
for the year ended 30 November 2002

The directors present their report with the financial statements of the company for the year ended 30 November 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of the Lovibond Colour Scale, the manufacture of instruments incorporating the Lovibond Colour Scale and instruments for chemical analysis.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider that the result for the year was satisfactory and will continue to be so in the future.

DIVIDENDS

Interim dividends per share were paid as follows:

£4.55	- 28 October 2002
<u>£2.30</u>	- 27 November 2002
<u>£6.85</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 November 2002 will be £75,350.

FIXED ASSETS

Details of movements in fixed assets are given in the notes to the financial statements.

The directors consider that the market value of freehold land and buildings at the balance sheet date is significantly greater than the net book value of £524,947, at which these assets are included within the financial statements.

RESEARCH AND DEVELOPMENT

Expenditure incurred by the company on research and development of new products is written off as incurred. All research and development expenditure is regarded as part of the company's continuing operations and is required to maintain its position in the market place.

DIRECTORS

The directors during the year under review were:

P W Fawcett
C P Voss
A A Belbin
A Lawrence
G J Belbin
S G Cooper
M J Humby

Since the year end, M J Humby resigned as a director on 2 April 2003 and A A Belbin, A Lawrence and G J Belbin resigned as directors on 7 August 2003. B C Bird and D J White were appointed as directors on 7 August 2003.

THE TINTOMETER LIMITED
REPORT OF THE DIRECTORS
for the year ended 30 November 2002

Continued from page 2.

DIRECTORS - continued

The beneficial interests of the directors holding office on 30 November 2002 in the issued share capital of the company were as follows:

	30.11.02	1.12.01
Ordinary 50p shares		
P W Fawcett	11,000	11,000
C P Voss	-	-
A A Belbin	-	-
A Lawrence	-	-
G J Belbin	-	-
S G Cooper	-	-
M J Humby	-	-

DONATIONS

During the year the company made charitable donations of £186 (2001 - £475).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

The auditors, The Hopkins Partnership, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

ON BEHALF OF THE BOARD:



P W Fawcett - DIRECTOR

Dated:

9th September 2003

THE TINTOMETER LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
THE TINTOMETER LIMITED**

We have audited the financial statements of The Tintometer Limited for the year ended 30 November 2002 on pages five to twenty four. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The Hopkins Partnership

The Hopkins Partnership
Chartered Accountants
and Registered Auditors
1 South Newton Trading Estate
Warminster Road
South Newton
Salisbury
SP2 0QW

Dated: 23 September 2003

THE TINTOMETER LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2002

		2002		2001	
	Notes	£	£	£	£
TURNOVER	2		3,753,185		3,713,879
Changes in stocks of finished goods and work in progress			<u>(37,814)</u>		<u>30,337</u>
			3,715,371		3,744,216
Other operating income			<u>-</u>		<u>3,147</u>
			3,715,371		3,747,363
Raw materials and consumables		1,185,100		1,294,384	
Other external charges		<u>141,313</u>		<u>135,352</u>	
			<u>1,326,413</u>		<u>1,429,736</u>
			2,388,958		2,317,627
Staff costs	3	1,538,538		1,486,667	
Depreciation		93,183		39,420	
Other operating charges		<u>638,979</u>		<u>693,758</u>	
			<u>2,270,700</u>		<u>2,219,845</u>
OPERATING PROFIT	4		118,258		97,782
Interest receivable and similar income			<u>-</u>		<u>5</u>
			118,258		97,787
Interest payable and similar charges	5		<u>26,988</u>		<u>30,081</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			91,270		67,706
Tax on profit on ordinary activities	6		<u>28,815</u>		<u>20,022</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			62,455		47,684
Dividends	7		<u>75,350</u>		<u>50,001</u>
DEFICIT FOR THE YEAR			<u>£(12,895)</u>		<u>£(2,317)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

THE TINTOMETER LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 30 November 2002**

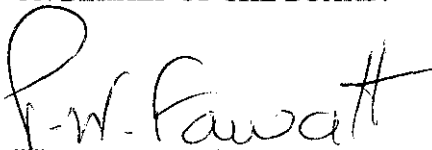
	<u>2002</u>	<u>2001</u>
	£	£
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	91,270	67,706
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	12,848	12,848
Difference between historical cost profit on disposal of freehold land and buildings and the actual profit calculated on the revalued amount	<u>-</u>	<u>47,991</u>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£104,118</u>	<u>£128,545</u>
 Historical cost (loss)/profit for the year retained after taxation and dividends	 <u>£(47)</u>	 <u>£58,522</u>

THE TINTOMETER LIMITED

BALANCE SHEET
30 November 2002

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		750,506		701,797
Investments	10		<u>5,004</u>		<u>5,004</u>
			755,510		706,801
CURRENT ASSETS					
Stocks	11	705,814		584,156	
Debtors	12	728,423		698,327	
Cash at bank and in hand		<u>3,449</u>		<u>1,171</u>	
		1,437,686		1,283,654	
CREDITORS					
Amounts falling due within one year	13	<u>879,193</u>		<u>675,836</u>	
NET CURRENT ASSETS			<u>558,493</u>		<u>607,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,314,003		1,314,619
CREDITORS					
Amounts falling due after more than one year	14		(14,224)		(3,630)
PROVISIONS FOR LIABILITIES AND CHARGES	18		<u>(1,685)</u>		<u>-</u>
			<u><u>£1,298,094</u></u>		<u><u>£1,310,989</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		5,500		5,500
Share premium account	20		103,600		103,600
Revaluation reserve	20		495,924		508,772
Capital redemption reserve	20		5,750		5,750
Profit and loss account	20		<u>687,320</u>		<u>687,367</u>
SHAREHOLDERS' FUNDS	24		<u><u>£1,298,094</u></u>		<u><u>£1,310,989</u></u>

ON BEHALF OF THE BOARD:



P W Fawcett - DIRECTOR

Approved by the Board on 9th September 2003.

The notes form part of these financial statements

THE TINTOMETER LIMITED

CASH FLOW STATEMENT
for the year ended 30 November 2002

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		233,921		35,799
Returns on investments and servicing of finance	2		(27,014)		(30,012)
Taxation			(20,022)		(39,196)
Capital expenditure and financial investment	2		(74,832)		25,220
Equity dividends paid			<u>(75,350)</u>		<u>(50,001)</u>
			36,703		(58,190)
Financing	2		<u>(58,426)</u>		<u>13,480</u>
Decrease in cash in the period			<u>£(21,723)</u>		<u>£(44,710)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(21,723)		(44,710)	
Cash outflow from decrease in debt and lease financing		<u>37,121</u>		<u>7,259</u>	
Change in net debt resulting from cash flows			15,398		(37,451)
New hire purchase contracts			<u>(67,060)</u>		<u>(21,779)</u>
Movement in net debt in the period			(51,662)		(59,230)
Net debt at 1 December			<u>(432,097)</u>		<u>(372,867)</u>
Net debt at 30 November			<u>£(483,759)</u>		<u>£(432,097)</u>

The notes form part of these financial statements

THE TINTOMETER LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 November 2002**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	118,258	97,782
Depreciation charges	88,059	74,066
Loss/(Profit) on disposal of fixed assets	5,124	(34,646)
Increase in stocks	(121,658)	(33,416)
(Increase)/Decrease in debtors	(30,096)	32,189
Increase/(Decrease) in creditors	<u>174,234</u>	<u>(100,176)</u>
Net cash inflow from operating activities	<u>233,921</u>	<u>35,799</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	-	5
Interest paid	(23,437)	(28,445)
Interest element of hire purchase payments	<u>(3,577)</u>	<u>(1,572)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(27,014)</u>	<u>(30,012)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(102,979)	(63,957)
Purchase of fixed asset investments	-	(5,000)
Sale of tangible fixed assets	<u>28,147</u>	<u>94,177</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(74,832)</u>	<u>25,220</u>
Financing		
Capital repayments in year	(37,121)	(7,259)
Amount (withdrawn)/introduced by directors	<u>(21,305)</u>	<u>20,739</u>
Net cash (outflow)/inflow from financing	<u>(58,426)</u>	<u>13,480</u>

THE TINTOMETER LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 November 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.01 £	Cash flow £	Other non-cash changes £	At 30.11.02 £
Net cash:				
Cash at bank and in hand	1,171	2,278		3,449
Bank overdrafts	<u>(418,748)</u>	<u>(24,001)</u>		<u>(442,749)</u>
	<u>(417,577)</u>	<u>(21,723)</u>		<u>(439,300)</u>
Debt:				
Hire purchase	<u>(14,520)</u>	<u>37,121</u>	<u>(67,060)</u>	<u>(44,459)</u>
	<u>(14,520)</u>	<u>37,121</u>	<u>(67,060)</u>	<u>(44,459)</u>
Total	<u>(432,097)</u>	<u>15,398</u>	<u>(67,060)</u>	<u>(483,759)</u>

The notes form part of these financial statements

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Consolidation

The company and its subsidiary undertakings, Optical Glass Accessories Limited and Lovibond Limited, comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Change in accounting policy

Following the introduction of the Financial Reporting Standard 19 'Deferred Tax', the company has changed its accounting policy for deferred taxation. Standard accounting practice now requires the recognition of deferred tax arising from timing differences and the creation of a provision for deferred tax liabilities. Under previous accounting practice, no provision was required where deferred tax liabilities were not expected to arise in the foreseeable future. As a result of this change in accounting policy, a provision for deferred tax has only arisen for the current year and this has been included within these financial statements.

Turnover

Turnover represents the net value of goods invoiced to customers during the year, less returns, discounts and allowances and excluding value added tax.

Trade marks and patents

Expenditure on trade marks and patents is capitalised as an intangible asset and amortised over six years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	- 10% on cost and 2% on valuation
Plant and machinery	- 30% on reducing balance and 25% on cost
Motor vehicles	- 30% on reducing balance

Up to and including the year ended 30 November 1999 it was the company's policy to revalue freehold properties. In the year ended 30 November 2000 the company adopted the transitional provisions of Financial Reporting Standard 15 'Tangible Fixed Assets'. Whilst previous valuations have been retained, they have not been updated. From the year ended 30 November 2000 it has been the company's policy not to revalue fixed assets. The last valuation was in 1991.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2002

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined benefit pension scheme. The regular pension cost is charged to the profit and loss account and is based on the expected pension costs over the service life of the employees. The current pension deficit is spread in the profit and loss account over the remaining service lives of current employees, in accordance with the advice of the scheme's qualified actuary.

The company also operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2002 £	2001 £
United Kingdom	1,483,860	1,294,180
Other European countries	1,348,862	1,383,866
Rest of the world	920,463	1,035,833
	<u>3,753,185</u>	<u>3,713,879</u>

3. STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,248,907	1,199,995
Social security costs	101,063	95,714
Other pension costs	188,568	190,958
	<u>1,538,538</u>	<u>1,486,667</u>

The average number of employees during the year was as follows:

	2002	2001
Production and service	43	47
Sales and distribution	3	2
Administration	15	14
	<u>61</u>	<u>63</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Hire of plant and machinery	15,014	17,030
Research and development	30,188	24,507
Depreciation - owned assets	71,785	69,579
Depreciation - assets on hire purchase contracts	16,274	4,487
Loss/(Profit) on disposal of fixed assets	5,124	(34,646)
Auditors' remuneration	12,075	11,425
Foreign exchange differences	<u>1,669</u>	<u>13,073</u>

Directors' emoluments	<u>291,841</u>	<u>250,725</u>
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The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2002	2001
	£	£
Emoluments etc	127,597	106,068
Accrued pension at 30 November 2002	<u>55,973</u>	<u>54,473</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	23,411	28,509
Hire purchase interest	<u>3,577</u>	<u>1,572</u>
	<u>26,988</u>	<u>30,081</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
UK Corporation tax	27,130	20,022
Deferred tax:		
Movement in provision	<u>1,685</u>	<u>-</u>
Tax on profit on ordinary activities	<u>28,815</u>	<u>20,022</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>91,270</u>	<u>67,706</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.33% (2001 - 20%)	17,644	13,541
Effects of:		
Expenses not deductible for tax purposes	8,483	12,087
Depreciation charged in excess of capital allowances	<u>1,003</u>	<u>(5,606)</u>
Current tax charge	<u>27,130</u>	<u>20,022</u>

7. DIVIDENDS

	2002 £	2001 £
Equity shares:		
Interim dividends paid	<u>75,350</u>	<u>50,001</u>

8. INTANGIBLE FIXED ASSETS

	Development expenditure £	Trade marks and patents £	Totals £
COST:			
At 1 December 2001	22,857	28,219	51,076
Disposals	<u>(22,857)</u>	<u>-</u>	<u>(22,857)</u>
At 30 November 2002	<u>-</u>	<u>28,219</u>	<u>28,219</u>
AMORTISATION:			
At 1 December 2001	22,857	28,219	51,076
Eliminated on disposal	<u>(22,857)</u>	<u>-</u>	<u>(22,857)</u>
At 30 November 2002	<u>-</u>	<u>28,219</u>	<u>28,219</u>
NET BOOK VALUE:			
At 30 November 2002	<u>-</u>	<u>-</u>	<u>-</u>
At 30 November 2001	<u>-</u>	<u>-</u>	<u>-</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION:				
At 1 December 2001	691,319	777,540	125,862	1,594,721
Additions	-	53,359	116,680	170,039
Disposals	-	(108,497)	(101,361)	(209,858)
At 30 November 2002	<u>691,319</u>	<u>722,402</u>	<u>141,181</u>	<u>1,554,902</u>
DEPRECIATION:				
At 1 December 2001	152,197	652,521	88,206	892,924
Charge for year	14,175	46,690	27,194	88,059
Eliminated on disposal	-	(103,841)	(72,746)	(176,587)
At 30 November 2002	<u>166,372</u>	<u>595,370</u>	<u>42,654</u>	<u>804,396</u>
NET BOOK VALUE:				
At 30 November 2002	<u>524,947</u>	<u>127,032</u>	<u>98,527</u>	<u>750,506</u>
At 30 November 2001	<u>539,122</u>	<u>125,019</u>	<u>37,656</u>	<u>701,797</u>

Cost or valuation at 30 November 2002 is represented by:

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 1991	568,149	-	-	568,149
Cost	<u>123,170</u>	<u>722,402</u>	<u>141,181</u>	<u>986,753</u>
	<u>691,319</u>	<u>722,402</u>	<u>141,181</u>	<u>1,554,902</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2002 £	2001 £
Cost	<u>123,170</u>	<u>123,170</u>
Aggregate depreciation	<u>94,147</u>	<u>92,820</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION:			
At 1 December 2001	21,779	-	21,779
Additions	<u>-</u>	<u>67,060</u>	<u>67,060</u>
At 30 November 2002	<u>21,779</u>	<u>67,060</u>	<u>88,839</u>
DEPRECIATION:			
At 1 December 2001	4,487	-	4,487
Charge for year	<u>5,445</u>	<u>10,829</u>	<u>16,274</u>
At 30 November 2002	<u>9,932</u>	<u>10,829</u>	<u>20,761</u>
NET BOOK VALUE:			
At 30 November 2002	<u>11,847</u>	<u>56,231</u>	<u>68,078</u>
At 30 November 2001	<u>17,292</u>	<u>-</u>	<u>17,292</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST:			
At 1 December 2001 and 30 November 2002	<u>4</u>	<u>5,000</u>	<u>5,004</u>
NET BOOK VALUE:			
At 30 November 2002	<u>4</u>	<u>5,000</u>	<u>5,004</u>
At 30 November 2001	<u>4</u>	<u>5,000</u>	<u>5,004</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Optical Glass Accessories Limited

Nature of business: Dormant

	% holding	2002 £	2001 £
Class of shares:	100.00		
Ordinary		<u>2</u>	<u>2</u>
Aggregate capital and reserves			

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002

10. FIXED ASSET INVESTMENTS - continued

Lovibond Limited

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

	2002	28.2.02
	£	£
Aggregate capital and reserves	<u>2</u>	<u>2</u>

Other Unlisted Investments

Tintometer (Thailand) Co. Ltd

Country of incorporation: Thailand

Nature of business: Marketing and sales of scientific instruments

	%
Class of shares:	holding
Ordinary	15.00

In order to comply with Thai company regulations, the shares in this company are held in the name of a Thai national with The Tintometer Limited named as pledgee.

In the opinion of the directors, there has been no diminution in the value of these investments below cost.

11. STOCKS

	2002	2001
	£	£
Raw materials and consumables	215,295	49,725
Work in progress	57,127	30,575
Finished goods and goods for resale	419,802	484,148
Other stocks	<u>13,590</u>	<u>19,708</u>
	<u>705,814</u>	<u>584,156</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Trade debtors	688,833	672,306
Other debtors	13,505	4,592
Prepayments	<u>26,085</u>	<u>21,429</u>
	<u>728,423</u>	<u>698,327</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank loans and overdrafts (see note 15)	442,749	418,748
Hire purchase contracts (see note 16)	30,235	10,890
Trade creditors	289,242	152,825
Due to group undertakings	4	4
Director's current account	-	21,305
Other creditors	27,170	-
Taxation and social security	40,182	32,579
Value added tax	3,634	6,172
Corporation tax	27,130	20,022
Accrued expenses	<u>18,847</u>	<u>13,291</u>
	<u>879,193</u>	<u>675,836</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Hire purchase contracts (see note 16)	<u>14,224</u>	<u>3,630</u>

15. LOANS AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>442,749</u>	<u>418,748</u>

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2002	2001
	£	£
Gross obligations repayable:		
Within one year	33,305	13,248
Between one and five years	<u>15,989</u>	<u>4,516</u>
	<u>49,294</u>	<u>17,764</u>
Finance charges repayable:		
Within one year	3,070	2,358
Between one and five years	<u>1,765</u>	<u>886</u>
	<u>4,835</u>	<u>3,244</u>
Net obligations repayable:		
Within one year	30,235	10,890
Between one and five years	<u>14,224</u>	<u>3,630</u>
	<u>44,459</u>	<u>14,520</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following payments are committed to be paid within one year:

	2002 £	Operating leases 2001 £
Expiring:		
Within one year	8,074	-
Between one and five years	<u>-</u>	<u>15,014</u>
	<u>8,074</u>	<u>15,014</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	442,749	418,748
Hire purchase contracts	<u>44,459</u>	<u>14,520</u>
	<u>487,208</u>	<u>433,268</u>

The bank borrowings are secured by a standard debenture consisting of fixed charges over the company's freehold property, fixed plant and machinery, book debts and goodwill, and a floating charge over all other assets of the company.

18. PROVISION FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred tax	<u>1,685</u>	<u>-</u>
	Deferred tax	
	£	
Charge for the year	<u>1,685</u>	
Balance at 30 November 2002	<u>1,685</u>	
Deferred tax provision		
	2002 £	2001 £
Accelerated capital allowances	<u>1,685</u>	<u>-</u>
	<u>1,685</u>	<u>-</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2002

19. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2002 £	2001 £
27,000	Ordinary	50p	<u>13,500</u>	<u>13,500</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2002 £	2001 £
11,000	Ordinary	50p	<u>5,500</u>	<u>5,500</u>

20. RESERVES

	Profit and loss account £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2001	687,367	103,600	508,772	5,750	1,305,489
Loss for the year	(12,895)	-	-	-	(12,895)
Transfer from revaluation reserve	<u>12,848</u>	<u>-</u>	<u>(12,848)</u>	<u>-</u>	<u>-</u>
At 30 November 2002	<u>687,320</u>	<u>103,600</u>	<u>495,924</u>	<u>5,750</u>	<u>1,292,594</u>

21. PENSION COMMITMENTS

The company operates two pension schemes for its employees, one defined benefit scheme, which is now closed to new employees, and one defined contribution scheme, which new employees may join.

The company has continued to account for pensions in accordance with Statement of Standard Accounting Practice 24 (SSAP 24) and the disclosures given in (a) are those required by this standard. Accounting for pensions under Financial Reporting Standard 17 (FRS 17) will not be mandatory for the company until the year ended 30 November 2003. Prior to this, phased transitional disclosures are required by this standard and these additional disclosures are set out in (b).

a) SSAP 24 Disclosures

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being held in a trustee administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of valuations using the attained age method. The most recent valuation was at 1 August 2001. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 6.5% per annum, that salary increases would average 4.5% and that increases to pensions in payment and deferment would be 3.75% and 4% respectively.

The most recent actuarial valuation showed that the market value of the scheme's assets was £4,039,000 and that the actuarial value of those assets represented 91% of the Minimum Funding Retirement (MFR). Following discussion with the company and the trustees of the pension scheme it was recommended by the scheme actuary that the company should amend its contributions from its previous level of 18.3% per annum of pensionable salaries less members contributions plus fixed instalments of £66,000 per annum until 2003 and £179,000 from 2004 to 2007, to 17% per annum of pensionable salaries less member contributions plus fixed instalments of £56,000 per annum until 2012 with effect from August 2002. The members would continue to contribute at 5% and 6% in accordance with the scheme's rules.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2002

21. PENSION COMMITMENTS - continued

The pension charge for the year was £160,072 (2001 - £161,448). At the balance sheet date there were no outstanding or prepaid contributions.

The company also operates a defined contribution pension scheme. During the year the company paid contributions of £17,745 (2001 - £17,336). At the balance sheet date there were no outstanding or prepaid contributions.

b) FRS 17 Pension Disclosures

The additional disclosures required by FRS 17 in relation to the defined benefit scheme of the company are set out below:

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 1 August 2001 and updated to 30 November 2001 and 30 November 2002 by a qualified independent actuary. The major assumptions used by the actuary were:

	30.11.02	30.11.01
Rate of increase in salaries	4.0 %	4.0 %
Rate of increase in pensions in payment	2.5 %	2.5 %
Discount rate for scheme liabilities	6.0 %	6.0 %
Inflation assumption	2.5 %	2.5 %

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 30.11.02	Value at 30.11.02 £	Long-term rate of return expected at 30.11.01	Value at 30.11.01 £
Equities	7.5 %	1,739,000	7.5 %	1,987,000
Fixed interest	5.0 %	1,901,000	5.0 %	1,887,000
Cash	3.5 %	<u>170,000</u>	3.5 %	<u>184,000</u>
Total market value of assets		3,810,000		4,058,000
Present value of scheme liabilities		<u>(4,822,000)</u>		<u>(4,499,000)</u>
Deficit in scheme		(1,012,000)		(441,000)
Related deferred tax asset		<u>192,280</u>		<u>88,200</u>
Net pension liability		<u><u>(819,720)</u></u>		<u><u>(352,800)</u></u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2002

21. PENSION COMMITMENTS - continued

If the above amounts had been recognised in these financial statements the net assets and profit and loss account reserves at 30 November 2002, would be as follows:

	30.11.02	30.11.01
	£	£
Net assets of the company excluding pension liability	1,298,094	1,310,989
Net pension liability	<u>(819,720)</u>	<u>(352,800)</u>
Net assets of the company including pension liability	<u>478,374</u>	<u>958,189</u>
	£	£
Profit and loss account excluding pension liability	687,320	687,367
Net pension liability	<u>(819,720)</u>	<u>(352,800)</u>
Profit and loss account including pension liability	<u>(132,400)</u>	<u>334,567</u>

The following table sets out the components of the defined benefit cost as would be recognised in the performance statements under the requirements of FRS 17.

Analysis of the amount that will be included within operating profit under FRS 17

	30.11.02
	£
Current service cost	<u>91,000</u>
Total operating charge	<u>91,000</u>

Analysis of the amount that will be included as other finance income under FRS 17

	30.11.02
	£
Expected return on pension scheme assets	252,000
Interest on pension scheme liabilities	<u>(280,000)</u>
Net return	<u>(28,000)</u>

Analysis of amount that will be included within the statement of total recognised gains and losses under FRS 17

	30.11.02
	£
Actual return less expected return on pension scheme assets	(559,000)
Experience gains and losses arising on the scheme liabilities	<u>(53,000)</u>
Actuarial loss	<u>(612,000)</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2002

21. PENSION COMMITMENTS - continued

Movement in deficit during the year	30.11.02
	£
Deficit in scheme at start of year	(441,000)
Movement in year:	
Current service cost	(91,000)
Contributions	160,000
Other finance costs	(28,000)
Actuarial loss	<u>(612,000)</u>
Deficit in scheme at end of year	<u>(1,012,000)</u>
History of experience gains and losses	2002
Difference between the expected and actual return on scheme assets:	
Amount (£)	(559,000)
Percentage of scheme assets	(15) %
Experience gains and (losses) on scheme liabilities:	
Amount (£)	(53,000)
Percentage of the present value of the scheme liabilities	(1) %
Total actuarial gain or (loss):	
Amount (£)	(612,000)
Percentage of the present value of the scheme liabilities	(13) %

22. TRANSACTIONS WITH DIRECTORS

During the year, P W Fawcett's current account became overdrawn due to amounts being drawn in advance of remuneration and dividends. No interest was charged on the overdrawn amounts. The maximum amount outstanding during the year was £70,217. There were no overdrawn amounts outstanding at 1 December 2001 or 30 November 2002.

C P Voss has a controlling interest in and is a director of Tintometer Gmbh, a company in which P W Fawcett is also a director. During the year, The Tintometer Limited sold to, and purchased from, Tintometer Gmbh goods to the value of £528,621 and £528,011 respectively (2001 - £579,488 and £542,096). At the year end, The Tintometer Limited owed Tintometer Gmbh £89,055 and was owed £52,230 (2001 - £33,346 and £71,978).

A loan of £4,500 advanced to an associate of P W Fawcett during the year ended 30 November 2000 remained outstanding at 30 November 2002. The loan was repayable within one year, with interest being chargeable at Lloyds TSB bank base rate. Since the year end this loan has been repaid, but no interest has been recovered.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2002

23. RELATED PARTY DISCLOSURES

Controlling interest

The company was under the control of P W Fawcett, who owns all of the issued share capital, during the current and previous years.

Director's current account

At the balance sheet date there was a balance on P W Fawcett's director's current account of £Nil (2001 - £21,305).

Transactions and balances

Amounts due to group undertakings of £4 shown within creditors due within one year is in respect of unpaid share capital of £2 each due to the subsidiary undertakings, Optical Glass Accessories Limited and Lovibond Limited.

During the year The Tintometer Limited sold to Tintometer (Thailand) Co. Ltd goods to the value of £42,608 (2001 - £8,117). At the year end The Tintometer Limited was owed £30,064 (2001 - £3,869) from Tintometer (Thailand) Co. Ltd.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	62,455	47,684
Dividends	<u>(75,350)</u>	<u>(50,001)</u>
Net reduction of shareholders' funds	(12,895)	(2,317)
Opening shareholders' funds	<u>1,310,989</u>	<u>1,313,306</u>
Closing shareholders' funds	<u>1,298,094</u>	<u>1,310,989</u>
 Equity interests	 <u>1,298,094</u>	 <u>1,310,989</u>