

REGISTERED NUMBER: 45024 (England and Wales)



ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

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

# **THE TINTOMETER LIMITED**

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**THE TINTOMETER LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2007**

**DIRECTORS:** C P Voss  
M R Nowak  
C A H M Counsell

**SECRETARY:** G J Belbin

**REGISTERED OFFICE:** Lovibond House  
Solar Way  
Solstice Park  
Amesbury  
SP4 7SZ

**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 31 December 2007**

The directors present their report with the accounts of the company for the year ended 31 December 2007

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the production of the Lovibond® Colour Scale and the manufacture and sale of instruments and ancillary items related to colour measurement and water analysis

**REVIEW OF BUSINESS**

The company has continued to consolidate its trading activities during the year under review, and to concentrate on the global marketing of its products

The directors and managers continue to review operations, with an emphasis on improved service for customers, along with cost control and improvements in efficiency. This has assisted the company to improve its gross profit margin

The company is continuing to introduce new products to the market place which complement its existing product range, and reflect the result of the company's research and development programme. The growth of the company is dependent on it continuing to meet the requirements of its customers, evolving its product lines to take account of technological advancements where appropriate, and being competitive in the market place. The directors outlook for the water analysis and colour measurement markets in the future indicate a good possibility for further growth

Regular management accounts and reports are produced for review by the board of directors, which are used by the board of directors to make decisions and assess business performance

The key financial performance measures, which are monitored by the board of directors are

- Turnover as a measure of growth
- Profit from operations as a measure of performance
- Gross profit percentage as a measure of profitability

The results for the year and the financial position of the company are set out in the financial statements on pages five to twenty three. The company has had another successful year financially with a gross profit of £1,994,750. After operating costs, which include an actuarial adjustment of £468,000 for past service costs, have been met from revenues, a small net loss before taxation of £29,295 was recorded. The net assets of the company have increased to £1,545,975 at the year end

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2007

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors are responsible for the company's systems of internal control, safeguarding of assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities, and have in place a framework of controls to ensure ongoing financial performance is monitored and risks identified as early as practically possible

**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

**EMPLOYEE INVOLVEMENT**

All employees are encouraged to take an active interest in all aspects of the performance of the business. There is extensive consultation with employees on matters affecting their employment and working environment

**EMPLOYMENT OF DISABLED PEOPLE**

The company employs three people who are registered disabled. The company welcomes applications from disabled people and offers modern working conditions in accessible premises. The company also provides training based on job requirements and any specialist equipment to enable disabled people to play a full part in the success of the business

**THE TINTOMETER LIMITED**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2007**

Continued from page 2

**DONATIONS**

During the year the company made charitable donations of £1,061 (2006 - £6,046)

**FIXED ASSETS**

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

The directors consider that the market value of freehold land and buildings is in excess of the amount shown in the financial statements but, as these assets are used in the company's business and no disposals are envisaged, the excess is not quantified

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

C P Voss  
M R Nowak  
C A H M Counsell

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

  
C A H M Counsell - Director

Date

25<sup>th</sup> March 2008

**THE TINTOMETER LIMITED**  
**REPORT OF THE INDEPENDENT AUDITORS TO**  
**THE TINTOMETER LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to twenty three, together with the financial statements of The Tintometer Limited for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

*The Hopkins Partnership*

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

Date *25 March 2008*

**THE TINTOMETER LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2007**

	Notes	2007 £	2006 £
<b>GROSS PROFIT</b>		1,994,750	1,911,733
Administrative expenses		<u>1,977,442</u>	<u>1,438,198</u>
<b>OPERATING PROFIT</b>	3	17,308	473,535
Profit on sale of freehold land and buildings		<u>-</u>	<u>991,748</u>
		17,308	1,465,283
Interest receivable and similar income		<u>4,791</u>	<u>5,113</u>
		22,099	1,470,396
Interest payable and similar charges	4	11,394	103,550
Other finance (income)/costs	19	<u>40,000</u>	<u>46,000</u>
		<u>51,394</u>	<u>149,550</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(29,295)	1,320,846
Tax on (loss)/profit on ordinary activities	5	<u>4,762</u>	<u>(146,134)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(34,057)</u>	<u>1,466,980</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**THE TINTOMETER LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 31 December 2007**

	2007 £	2006 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	(34,057)	1,466,980
Pension scheme actuarial gain (net of tax)	<u>270,900</u>	<u>58,100</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><u>236,843</u></u>	<u><u>1,525,080</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
for the year ended 31 December 2007**

	2007 £	2006 £
<b>REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(29,295)	1,320,846
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2,570	11,991
Difference between historical cost profit on disposal of freehold property and the actual profit calculated on the revalued amount	<u>-</u>	<u>360,533</u>
<b>HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><u>(26,725)</u></u>	<u><u>1,693,370</u></u>
<b>HISTORICAL COST (LOSS)/PROFIT FOR THE YEAR RETAINED AFTER TAXATION</b>	<u><u>(31,487)</u></u>	<u><u>1,839,504</u></u>



**THE TINTOMETER LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 December 2007**

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Intangible assets	6	-	-
Tangible assets	7	1,949,561	2,032,662
Investments	8	<u>50,264</u>	<u>4</u>
		1,999,825	2,032,666
<b>CURRENT ASSETS</b>			
Stocks	9	648,699	616,692
Debtors	10	883,213	776,268
Cash at bank and in hand		<u>77,479</u>	<u>24,398</u>
		1,609,391	1,417,358
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>883,291</u>	<u>820,213</u>
<b>NET CURRENT ASSETS</b>		<u>726,100</u>	<u>597,145</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,725,925	2,629,811
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	-	(19,879)
<b>PROVISIONS FOR LIABILITIES</b>	16	(55,750)	(33,800)
<b>NET PENSION LIABILITY</b>	19	<u>(1,124,200)</u>	<u>(1,267,000)</u>
<b>NET ASSETS</b>		<u><u>1,545,975</u></u>	<u><u>1,309,132</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	6,250	6,250
Share premium account	18	297,850	297,850
Revaluation reserve	18	82,286	84,856
Capital redemption reserve	18	5,750	5,750
Profit and loss account	18	<u>1,153,839</u>	<u>914,426</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u><u>1,545,975</u></u>	<u><u>1,309,132</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 25<sup>th</sup> March 2008 and were signed on its behalf by

  
C A H M Counsell - Director

The notes form part of these abbreviated accounts

**THE TINTOMETER LIMITED**

**CASH FLOW STATEMENT**  
for the year ended 31 December 2007

	Notes	2007	2006
		£	£
<b>Net cash inflow/(outflow) from operating activities</b>	1	364,653	(173,319)
<b>Returns on investments and servicing of finance</b>	2	(6,603)	(98,437)
<b>Taxation</b>		(15,500)	(658)
<b>Capital expenditure and financial investment</b>	2	<u>(107,238)</u>	<u>1,286,674</u>
		235,312	1,014,260
<b>Financing</b>	2	<u>(47,854)</u>	<u>(1,165,177)</u>
<b>Increase/(Decrease) in cash in the period</b>		<u>187,458</u>	<u>(150,917)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase/(Decrease) in cash in the period		187,458	(150,917)
Cash outflow from decrease in debt and lease financing		<u>47,854</u>	<u>1,360,177</u>
Change in net debt resulting from cash flows		235,312	1,209,260
New hire purchase contracts		<u>-</u>	<u>(9,290)</u>
<b>Movement in net debt in the period</b>		235,312	1,199,970
<b>Net debt at 1 January</b>		<u>(282,165)</u>	<u>(1,482,135)</u>
<b>Net debt at 31 December</b>		<u>(46,853)</u>	<u>(282,165)</u>

The notes form part of these abbreviated accounts

**THE TINTOMETER LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
for the year ended 31 December 2007**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2007	2006
	£	£
Operating profit	17,308	473,535
Depreciation charges	140,044	163,894
Loss on disposal of fixed assets	35	1,129
(Increase)/Decrease in stocks	(32,007)	2,095
Increase in debtors	(106,945)	(13,487)
Increase/(Decrease) in creditors	203,218	(689,485)
Difference between pension charge and cash contributions	<u>143,000</u>	<u>(111,000)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u><b>364,653</b></u>	<u><b>(173,319)</b></u>

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

	2007	2006
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	4,791	5,113
Interest paid	(5,383)	(96,592)
Interest element of hire purchase payments	<u>(6,011)</u>	<u>(6,958)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><b>(6,603)</b></u>	<u><b>(98,437)</b></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(57,555)	(91,107)
Purchase of fixed asset investments	(50,260)	-
Sale of tangible fixed assets	<u>577</u>	<u>1,377,781</u>
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<u><b>(107,238)</b></u>	<u><b>1,286,674</b></u>
<b>Financing</b>		
Loan repayments in year	-	(1,300,000)
Capital repayments in year	(47,854)	(60,177)
Share issue	-	750
Increase in share premium reserve	<u>-</u>	<u>194,250</u>
<b>Net cash outflow from financing</b>	<u><b>(47,854)</b></u>	<u><b>(1,165,177)</b></u>

**THE TINTOMETER LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
for the year ended 31 December 2007**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 07 £	Cash flow £	At 31 12 07 £
Net cash			
Cash at bank and in hand	24,398	53,081	77,479
Bank overdraft	<u>(238,830)</u>	<u>134,377</u>	<u>(104,453)</u>
	<u>(214,432)</u>	<u>187,458</u>	<u>(26,974)</u>
 Debt			
Hire purchase	<u>(67,733)</u>	<u>47,854</u>	<u>(19,879)</u>
	<u>(67,733)</u>	<u>47,854</u>	<u>(19,879)</u>
 Total	<u>(282,165)</u>	<u>235,312</u>	<u>(46,853)</u>

The notes form part of these abbreviated accounts

# THE TINTOMETER LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

### 1 ACCOUNTING POLICIES

#### Accounting convention

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

#### Exemption from preparing consolidated financial statements

The financial statements contain information about The Tintometer Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

#### Turnover

Turnover represents income receivable from the production of the Lovibond® Colour Scale and the manufacture and sale of instruments and ancillary items related to colour measurement and water analysis, less returns, discounts and allowances, 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	- not provided
Freehold buildings	- 2% on cost or valuation
Improvements to leasehold property	- in equal instalments over the period of the lease
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 '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 tax

Deferred tax is provided on all reversible timing differences that arise when comparing the accounting profit with the profits that are chargeable to taxation. Deferred tax is not provided on any permanent differences that may arise. At the balance sheet date, the required provision for deferred tax is compared with the provision at the beginning of the period and any difference is debited or credited to the profit and loss account. Deferred tax assets are only recognised when there is a reasonable certainty that they will be recoverable in the future.

#### 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 ABBREVIATED ACCOUNTS for the year ended 31 December 2007

### 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 on a straight line basis over the period of the lease.

#### Pensions

The company operates a defined benefit pension scheme. The pension scheme assets are measured using market values. The pension liabilities are measured using projected unit credit method and discounted at the rate of return on a high quality bond of equivalent term to scheme liabilities. Any increase in the present value of liabilities within the company's defined benefit pension scheme expected to arise from employee service in the year is charged to operating profit as current service costs and the expected return on pension scheme assets and interest on pension scheme liabilities are included within finance income and finance costs. Actuarial gains and losses are recognised in full in the period in which they occur and are shown in the statement of recognised gains and losses. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of related deferred tax.

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

### 2 STAFF COSTS

	2007 £	2006 £
Wages and salaries	1,367,338	1,289,254
Social security costs	118,113	108,381
Other pension costs (see note 19)	<u>543,122</u>	<u>84,941</u>
	<u>2,028,573</u>	<u>1,482,576</u>

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

	2007	2006
Production and service	44	44
Sales and distribution	9	7
Administration	<u>17</u>	<u>16</u>
	<u>70</u>	<u>67</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
for the year ended 31 December 2007**

**3 OPERATING (LOSS)/PROFIT**

The operating loss (2006 - operating profit) is stated after charging

	2007	2006
	£	£
Hire of plant and machinery	18,097	16,613
Operating lease rentals - other	13,724	3,431
Research and development	80,773	59,583
Depreciation - owned assets	110,282	122,673
Depreciation - assets on hire purchase contracts	29,762	41,221
Loss on disposal of fixed assets	35	1,129
Auditors' remuneration	17,375	18,000
Foreign exchange differences	<u>12,251</u>	<u>5,192</u>
 Directors' emoluments	 101,403	 88,514
Directors' pension contributions to money purchase schemes	<u>3,608</u>	<u>3,160</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2007	2006
	£	£
Bank interest	5,383	12,492
Bank loan interest	-	73,218
Other loan interest	-	10,882
Hire purchase interest	<u>6,011</u>	<u>6,958</u>
	<u>11,394</u>	<u>103,550</u>

# THE TINTOMETER LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

### 5 TAXATION

#### Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss (2006 - profit) on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK Corporation tax	37,500	15,946
Prior year underprovision	<u>212</u>	<u>-</u>
Total current tax	<u>37,712</u>	<u>15,946</u>

#### Deferred tax

Deferred tax recognised directly in profit and loss account

Relating to

Net pension scheme costs	(54,900)	(195,880)
Accelerated capital allowances	38,200	1,215
Trading losses	-	32,585
Retirement benefit obligations	<u>(16,250)</u>	<u>-</u>
Total deferred tax	<u>(32,950)</u>	<u>(162,080)</u>

Tax on (loss)/profit on ordinary activities	<u>4,762</u>	<u>(146,134)</u>
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Deferred tax recognised directly in statement of recognised gains and losses

Relating to

Pension scheme actuarial movements	<u>116,100</u>	<u>24,900</u>
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#### Factors affecting the tax charge/(credit)

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

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	<u>(29,295)</u>	<u>1,320,846</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 19%)	(8,789)	250,961
Effects of		
Expenses not deductible for tax purposes	68,738	(9,015)
Depreciation charged in excess of capital allowances	(13)	(184,584)
Losses utilised in year	(13,796)	(41,416)
Marginal rates of UK Corporation tax	(8,640)	-
Prior year underprovision	<u>212</u>	<u>-</u>
Current tax charge	<u>37,712</u>	<u>15,946</u>



**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
for the year ended 31 December 2007**

**6 INTANGIBLE FIXED ASSETS**

	Trade marks and patents £
<b>COST</b>	
At 1 January 2007 and 31 December 2007	<u>28,219</u>
<b>AMORTISATION</b>	
At 1 January 2007 and 31 December 2007	<u>28,219</u>
<b>NET BOOK VALUE</b>	
At 31 December 2007	<u><u>-</u></u>
At 31 December 2006	<u><u>-</u></u>

**7 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Improvements to leasehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2007	1,776,201	22,992	640,979	107,016	2,547,188
Additions	-	-	39,689	17,866	57,555
Disposals	<u>-</u>	<u>-</u>	<u>(13,056)</u>	<u>-</u>	<u>(13,056)</u>
At 31 December 2007	<u>1,776,201</u>	<u>22,992</u>	<u>667,612</u>	<u>124,882</u>	<u>2,591,687</u>
<b>DEPRECIATION</b>					
At 1 January 2007	81,551	-	395,847	37,128	514,526
Charge for year	31,230	1,533	83,848	23,433	140,044
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(12,444)</u>	<u>-</u>	<u>(12,444)</u>
At 31 December 2007	<u>112,781</u>	<u>1,533</u>	<u>467,251</u>	<u>60,561</u>	<u>642,126</u>
<b>NET BOOK VALUE</b>					
At 31 December 2007	<u>1,663,420</u>	<u>21,459</u>	<u>200,361</u>	<u>64,321</u>	<u>1,949,561</u>
At 31 December 2006	<u>1,694,650</u>	<u>22,992</u>	<u>245,132</u>	<u>69,888</u>	<u>2,032,662</u>

Included in cost or valuation of freehold land and buildings is freehold land of £214,717 (2006 - £214,717) which is not depreciated

# THE TINTOMETER LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

### 7 TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2007 is represented by

	Freehold land and buildings £	Improvements to leasehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 1991	119,641	-	-	-	119,641
Cost	<u>1,656,560</u>	<u>22,992</u>	<u>667,612</u>	<u>124,882</u>	<u>2,472,046</u>
	<u>1,776,201</u>	<u>22,992</u>	<u>667,612</u>	<u>124,882</u>	<u>2,591,687</u>

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

	2007 £	2006 £
Cost	<u>1,656,560</u>	<u>1,656,560</u>
Aggregate depreciation	<u>75,827</u>	<u>46,768</u>

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

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2007	68,134	91,865	159,999
Transfer to ownership	<u>-</u>	<u>(73,500)</u>	<u>(73,500)</u>
At 31 December 2007	<u>68,134</u>	<u>18,365</u>	<u>86,499</u>
<b>DEPRECIATION</b>			
At 1 January 2007	18,452	31,119	49,571
Charge for year	17,033	12,729	29,762
Transfer to ownership	<u>-</u>	<u>(32,767)</u>	<u>(32,767)</u>
At 31 December 2007	<u>35,485</u>	<u>11,081</u>	<u>46,566</u>
<b>NET BOOK VALUE</b>			
At 31 December 2007	<u>32,649</u>	<u>7,284</u>	<u>39,933</u>
At 31 December 2006	<u>49,682</u>	<u>60,746</u>	<u>110,428</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
for the year ended 31 December 2007**

**8 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Interest in associate undertakings £	Totals £
<b>COST</b>			
At 1 January 2007	4	-	4
Additions	<u>-</u>	<u>50,260</u>	<u>50,260</u>
At 31 December 2007	<u>4</u>	<u>50,260</u>	<u>50,264</u>
<b>NET BOOK VALUE</b>			
At 31 December 2007	<u>4</u>	<u>50,260</u>	<u>50,264</u>
At 31 December 2006	<u>4</u>	<u>-</u>	<u>4</u>

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

**Subsidiaries**

**Lovibond Tintometer Limited**

Nature of business Dormant

	% holding	2007 £	2006 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		<u>2</u>	<u>2</u>

**Lovibond Limited**

Nature of business Dormant

	% holding	2007 £	2006 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		<u>2</u>	<u>2</u>

**Associated Company**

**App-Chem Limited**

Nature of business Manufacture of water treatment analysis test kits and reagents

	% holding	2007 £
Class of shares	47 80	
Ordinary		
Aggregate capital and reserves		28 2 07
Profit for the year		<u>17,984</u> <u>20,547</u>

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

**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
for the year ended 31 December 2007

**9 STOCKS**

	2007	2006
	£	£
Raw materials and consumables	184,545	162,203
Work in progress	35,700	21,458
Finished goods and goods for resale	421,838	429,238
Other stocks	<u>6,616</u>	<u>3,793</u>
	<u><u>648,699</u></u>	<u><u>616,692</u></u>

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Trade debtors	652,166	671,571
Due from group undertakings	33,492	31,293
Due from participating interest	12,002	-
Other debtors	5,327	4,199
Value added tax	32,908	5,058
Prepayments	<u>147,318</u>	<u>64,147</u>
	<u><u>883,213</u></u>	<u><u>776,268</u></u>

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

	2007	2006
	£	£
Bank loans and overdrafts (see note 13)	104,453	238,830
Hire purchase contracts (see note 14)	19,879	47,854
Trade creditors	423,643	299,562
Due to group undertakings	150,224	140,876
Corporation tax	37,500	15,288
Taxation and social security	44,537	40,834
Other creditors	72,127	-
Accrued expenses	<u>30,928</u>	<u>36,969</u>
	<u><u>883,291</u></u>	<u><u>820,213</u></u>

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007	2006
	£	£
Hire purchase contracts (see note 14)	<u>-</u>	<u>19,879</u>

**13 LOANS**

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>104,453</u>	<u>238,830</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
for the year ended 31 December 2007**

**14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	2007	2006
	£	£
Gross obligations repayable		
Within one year	23,148	53,715
Between one and five years	<u>-</u>	<u>23,148</u>
	<u>23,148</u>	<u>76,863</u>
Finance charges repayable		
Within one year	3,269	5,861
Between one and five years	<u>-</u>	<u>3,269</u>
	<u>3,269</u>	<u>9,130</u>
Net obligations repayable		
Within one year	19,879	47,854
Between one and five years	<u>-</u>	<u>19,879</u>
	<u>19,879</u>	<u>67,733</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2007	2006	2007	2006
	£	£	£	£
Expiring				
Within one year	-	-	623	-
Between one and five years	-	-	11,335	11,632
In more than five years	<u>13,724</u>	<u>13,724</u>	<u>-</u>	<u>-</u>
	<u>13,724</u>	<u>13,724</u>	<u>11,958</u>	<u>11,632</u>

**15 SECURED DEBTS**

The following secured debts are included within creditors

	2007	2006
	£	£
Bank overdrafts	104,453	238,830
Hire purchase contracts	<u>19,879</u>	<u>67,733</u>
	<u>124,332</u>	<u>306,563</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

**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
for the year ended 31 December 2007**

**16 PROVISIONS FOR LIABILITIES**

	2007 £	2006 £
Deferred tax		
Accelerated capital allowances	72,000	33,800
Retirement benefit obligations	<u>(16,250)</u>	<u>-</u>
	<u>55,750</u>	<u>33,800</u>
		Deferred tax £
Balance at 1 January 2007		33,800
Charge for the year		<u>21,950</u>
Balance at 31 December 2007		<u>55,750</u>

**17 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	2007 £	2006 £
27,000	Ordinary	50p	<u>13,500</u>	<u>13,500</u>
Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
12,500	Ordinary	50p	<u>6,250</u>	<u>6,250</u>

**18 RESERVES**

	Profit and loss account £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2007	914,426	297,850	84,856	5,750	1,302,882
Deficit for the year	(34,057)				(34,057)
Transfer from revaluation reserve	2,570	-	(2,570)	-	-
Actuarial gain (net of tax)	<u>270,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,900</u>
At 31 December 2007	<u>1,153,839</u>	<u>297,850</u>	<u>82,286</u>	<u>5,750</u>	<u>1,539,725</u>
Profit and loss account excluding pension liability	2,278,039				
Pension deficit	<u>(1,124,200)</u>				
Profit and loss account	<u>1,153,839</u>				

# THE TINTOMETER LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

### 19 PENSION COMMITMENTS

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

#### Defined benefit scheme

The company operates a defined benefit scheme in the UK. A full actuarial valuation is being carried out as at 1 August 2007 and updated to 31 December 2007. All valuations were carried out by a qualified independent actuary. The major assumptions used by the actuary were

	31 12 07	31 12 06	31 12 05
Rate of increase in salaries	3.25%	3.25%	3%
Rate of increase in pensions in payment	3%	2.9%	2.75%
Discount rate for scheme liabilities	5.75%	5.25%	5%
Inflation assumption	3%	2.9%	2.75%

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 31 12 07	Value at 31 12 07 £	Long-term rate of return expected at 31 12 06	Value at 31 12 06 £	Long-term rate of return expected at 31 12 05	Value at 31 12 05 £
Equities	7.5%	2,958,000	7.5%	2,590,000	7.5%	2,406,000
Fixed interest	5%	2,715,000	5%	2,454,000	5%	2,425,000
Cash	3.5%	47,000	3.5%	281,000	3.5%	250,000
Total market value of assets		5,720,000		5,325,000		5,081,000
Present value of scheme liabilities		(7,326,000)		(7,135,000)		(7,039,000)
Deficit in scheme		(1,606,000)		(1,810,000)		(1,958,000)
Related deferred tax asset		481,800		543,000		372,020
Net pension liability		(1,124,200)		(1,267,000)		(1,585,980)

#### Analysis of the amount charged to operating profit

	2007 £	2006 £
Current service cost	47,000	61,000
Past service costs	468,000	-
Total operating charge	515,000	61,000

#### Analysis of the amount credited/(charged) to other finance income/(costs)

	2007 £	2006 £
Expected return on pension scheme assets	331,000	308,000
Interest on pension scheme liabilities	(371,000)	(354,000)
Net cost	(40,000)	(46,000)

**THE TINTOMETER LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
for the year ended 31 December 2007

**19 PENSION COMMITMENTS - continued**

**Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)**

	2007	2006
	£	£
Actual return less expected return on pension scheme assets	(86,000)	19,000
Experience gains and losses arising on the scheme liabilities	(6,000)	(48,000)
Changes in assumptions underlying the present value of the scheme liabilities	<u>479,000</u>	<u>112,000</u>
Actuarial gain recognised in STRGL before adjustments for taxation	<u><u>387,000</u></u>	<u><u>83,000</u></u>

**Movement in deficit during the year**

	2007	2006
	£	£
Deficit in scheme at start of year	(1,810,000)	(1,958,000)
Current service cost	(47,000)	(61,000)
Contributions	372,000	172,000
Past service costs	(468,000)	-
Other finance income/(costs)	(40,000)	(46,000)
Pension scheme actuarial gain	<u><u>387,000</u></u>	<u><u>83,000</u></u>
Deficit in scheme at end of year	<u><u>(1,606,000)</u></u>	<u><u>(1,810,000)</u></u>

**History of experience gains and losses**

	Year ended 31 12 07	Year ended 31 12 06	Year ended 31 12 05	Period 1 12 03 to 31 12 04	Year ended 30 11 03
Difference between the expected and actual return on scheme assets amount (£)	(86,000)	19,000	488,000	193,000	6,000
percentage of scheme assets	(1.5)%	0.4%	9.6%	4.4%	0.1%
Experience gains and losses on scheme liabilities amount (£)	(6,000)	(48,000)	(26,000)	(511,000)	244,000
percentage of the present value of the scheme liabilities	0.1%	0.7%	0.4%	9.4%	(5)%
Changes in assumptions underlying the present value of the scheme liabilities amount (£)	479,000	112,000	(1,375,000)	-	-
percentage of the present value of the scheme liabilities	(6.5)%	(1.6)%	19.5%	-	-
Total actuarial gain or loss amount (£)	387,000	83,000	(913,000)	(318,000)	250,000
percentage of the present value of the scheme liabilities	(5.3)%	(1.2)%	13.0%	5.8%	(5)%



# THE TINTOMETER LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2007

### 19 PENSION COMMITMENTS - continued

The most recent full actuarial valuation at 1 August 2004 showed that the market value of the scheme's assets was £4,045,000 and that the actuarial value of those assets represented 74% of the benefits that had accrued to the members, after allowing for expected future increases in earnings. Following discussions 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 17% per annum of pensionable salaries less members contributions plus fixed instalments of £56,000 per annum until 2012, to 10.5% per annum of pensionable salaries plus fixed instalments of £76,000 per annum until 2010 with effect from August 2005. The members would continue to contribute at 5% and 6% in accordance with the scheme's rules. With effect from 1 January 2006 the fixed instalments of £76,000 per annum were increased to £100,000 per annum.

During the year the company paid contributions of £347,967 (2006 - £148,460) which included a one-off lump sum contribution of £200,000 (2006 - £Nil). At the balance sheet date there were no outstanding or prepaid contributions.

#### Defined contribution scheme

During the year the company paid contributions of £28,122 (2006 - £23,941) in respect of its defined contribution pension scheme. At the balance sheet date there were no outstanding or prepaid contributions.

#### Staff costs analysis

The other pension costs in note 2 can be analysed as follows:

	2007 £	2006 £
Current service costs	47,000	61,000
Past service costs	468,000	-
Defined contribution pension scheme payments	<u>28,122</u>	<u>23,941</u>
	<u>543,122</u>	<u>84,941</u>

### 20 ULTIMATE PARENT COMPANY

The ultimate parent company is Tintometer GmbH, a company registered in Germany.

### 21 TRANSACTIONS WITH DIRECTORS

C P Voss has a controlling interest in and is a director of Tintometer GmbH. During the period, The Tintometer Limited sold to, and purchased from, Tintometer GmbH goods to the value of £264,209 and £667,579 respectively (2006 - £378,108 and £756,048). At the year end, The Tintometer Limited owed Tintometer GmbH £150,220 and was owed £30,424 (2006 - £140,872 and £31,293).

### 22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
(Loss)/Profit for the financial year	(34,057)	1,466,980
Other recognised gains and losses relating to the year (net)	270,900	58,100
Increase in share premium reserve	-	194,250
Increase in share capital	<u>-</u>	<u>750</u>
<b>Net addition to shareholders' funds</b>	<b>236,843</b>	<b>1,720,080</b>
Opening shareholders' funds	<u>1,309,132</u>	<u>(410,948)</u>
<b>Closing shareholders' funds</b>	<b><u>1,545,975</u></b>	<b><u>1,309,132</u></b>