

COMPANIES HOUSE
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REGISTERED NUMBER: 45024 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 DECEMBER 2003 TO 31 DECEMBER 2004
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

COMPANY INFORMATION
for the period 1 December 2003 to 31 December 2004

DIRECTORS:

C P Voss
B C Bird
D J White
M R Nowak
C A H M Counsell

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 period 1 December 2003 to 31 December 2004

The directors present their report with the financial statements of the company for the period 1 December 2003 to 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the period 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 period and financial position of the company are as shown in the annexed financial statements.

The directors consider that, despite difficult trading conditions, the result for the period was satisfactory, and that the company will return to profitability within the foreseeable future.

On 8 July 2004, the company became a wholly owned subsidiary of Tintometer GmbH, a company registered in Germany. As a result, the company changed its accounting reference date from 30 November to 31 December to be coterminous with the parent company.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2004.

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 £496,597 at which these assets are included within these financial statements. As referred to in note 9 to the financial statements, during the period the company entered into an agreement for the conditional sale of one of its freehold properties. At the balance sheet date, the conditions for the sale to proceed had not been satisfied.

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.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors during the period under review were:

P W Fawcett	- resigned 8.7.04
S G Cooper	- resigned 31.8.04
C P Voss	
B C Bird	
D J White	
M R Nowak	- appointed 8.7.04

Since the period end, C A H M Counsell was appointed as a director on 1 January 2005.

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 December 2003 (or date of appointment if later) or 31 December 2004.

C P Voss is a director and shareholder of the parent company, Tintometer GmbH. Details of C P Voss's interest in the issued share capital of the parent company are disclosed in the financial statements of that company.

DONATIONS

During the year the company made charitable donations of £471 (2003 - £1,269).

THE TINTOMETER LIMITED

REPORT OF THE DIRECTORS - continued
for the period 1 December 2003 to 31 December 2004

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

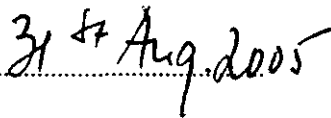
The auditors, The Hopkins Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
C P Voss - Director

Date:



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 period ended 31 December 2004 on pages five to twenty five. 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 31 December 2004 and of its loss for the period 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

Date: 12 September 2005

THE TINTOMETER LIMITED

PROFIT AND LOSS ACCOUNT for the period 1 December 2003 to 31 December 2004

	Notes	Period 1.12.03 to 31.12.04		Year ended 30.11.03	
		£	£	£	£
TURNOVER	2		3,719,149		3,810,199
Changes in stocks of finished goods and work in progress			<u>44,914</u>		<u>(147,245)</u>
			3,764,063		3,662,954
Raw materials and consumables		1,485,696		1,294,606	
Other external charges		<u>183,265</u>		<u>176,693</u>	
			<u>1,668,961</u>		<u>1,471,299</u>
			2,095,102		2,191,655
Staff costs	3	1,619,146		1,522,532	
Depreciation		107,205		92,130	
Other operating charges		<u>480,068</u>		<u>570,432</u>	
			<u>2,206,419</u>		<u>2,185,094</u>
OPERATING (LOSS)/PROFIT	4		(111,317)		6,561
Interest receivable and similar income			<u>227</u>		<u>27</u>
			(111,090)		6,588
Amounts written off investments	5		<u>-</u>		<u>5,000</u>
			(111,090)		1,588
Interest payable and similar charges	6		<u>23,684</u>		<u>31,669</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(134,774)		(30,081)
Tax on loss on ordinary activities	7		<u>(9,451)</u>		<u>8,528</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION			<u>(125,323)</u>		<u>(38,609)</u>
DEFICIT FOR THE PERIOD			<u>(125,323)</u>		<u>(38,609)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current period or previous year.

The notes form part of these financial statements

THE TINTOMETER LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the period 1 December 2003 to 31 December 2004**

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
REPORTED LOSS		
ON ORDINARY ACTIVITIES BEFORE TAXATION	(134,774)	(30,081)
Difference between historical cost depreciation charge and the actual depreciation charge for the period calculated on the revalued amount	<u>12,848</u>	<u>12,848</u>
HISTORICAL COST LOSS		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(121,926)</u>	<u>(17,233)</u>
HISTORICAL COST LOSS		
FOR THE PERIOD RETAINED AFTER TAXATION	<u>(112,475)</u>	<u>(25,761)</u>

The notes form part of these financial statements

THE TINTOMETER LIMITED

BALANCE SHEET
31 December 2004

	Notes	2004	2003
		£	£
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	631,388	699,329
Investments	10	<u>4</u>	<u>4</u>
		631,392	699,333
CURRENT ASSETS			
Stocks	11	557,360	525,204
Debtors	12	621,551	933,588
Cash at bank and in hand		<u>21,247</u>	<u>9,568</u>
		1,200,158	1,468,360
CREDITORS			
Amounts falling due within one year	13	<u>691,163</u>	<u>908,208</u>
NET CURRENT ASSETS		<u>508,995</u>	<u>560,152</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,140,387	1,259,485
CREDITORS			
Amounts falling due after more than one year	14	<u>6,225</u>	<u>-</u>
		<u>1,134,162</u>	<u>1,259,485</u>
CAPITAL AND RESERVES			
Called up share capital	18	5,500	5,500
Share premium account	19	103,600	103,600
Revaluation reserve	19	470,228	483,076
Capital redemption reserve	19	5,750	5,750
Profit and loss account	19	<u>549,084</u>	<u>661,559</u>
SHAREHOLDERS' FUNDS	25	<u>1,134,162</u>	<u>1,259,485</u>

ON BEHALF OF THE BOARD:



.....
C P Voss - Director

Approved by the Board on

31st Aug. 2005

The notes form part of these financial statements

THE TINTOMETER LIMITED

CASH FLOW STATEMENT
for the period 1 December 2003 to 31 December 2004

	Notes	Period 1.12.03 to 31.12.04		Year ended 30.11.03	
		£	£	£	£
Net cash inflow from operating activities	1		326,429		189,511
Returns on investments and servicing of finance	2		(25,228)		(31,524)
Taxation			2,108		(30,000)
Capital expenditure	2		<u>(18,889)</u>		<u>(40,953)</u>
			284,420		87,034
Financing	2		<u>61,090</u>		<u>(112,908)</u>
Increase/(Decrease) in cash in the period			<u>345,510</u>		<u>(25,874)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		345,510		(25,874)	
Cash outflow from decrease in debt and lease financing		<u>21,583</u>		<u>30,235</u>	
Change in net debt resulting from cash flows			367,093		4,361
New hire purchase contracts			<u>(20,375)</u>		<u>-</u>
Movement in net debt in the period			346,718		4,361
Net debt at 1 December			<u>(479,398)</u>		<u>(483,759)</u>
Net debt at 31 December			<u>(132,680)</u>		<u>(479,398)</u>

The notes form part of these financial statements

THE TINTOMETER LIMITED

NOTES TO THE CASH FLOW STATEMENT for the period 1 December 2003 to 31 December 2004

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Operating (loss)/profit	(111,317)	6,561
Depreciation charges	86,360	91,836
Loss on disposal of fixed assets	20,845	294
(Increase)/Decrease in stocks	(32,156)	180,610
Decrease/(Increase) in debtors	226,471	(119,599)
Increase in creditors	<u>136,226</u>	<u>29,809</u>
Net cash inflow from operating activities	<u>326,429</u>	<u>189,511</u>

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

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Returns on investments and servicing of finance		
Interest received	250	4
Interest paid	(22,796)	(28,458)
Interest element of hire purchase payments	<u>(2,682)</u>	<u>(3,070)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(25,228)</u>	<u>(31,524)</u>
Capital expenditure		
Purchase of tangible fixed assets	(27,888)	(42,326)
Sale of tangible fixed assets	<u>8,999</u>	<u>1,373</u>
Net cash outflow for capital expenditure	<u>(18,889)</u>	<u>(40,953)</u>
Financing		
Capital repayments in year	(21,583)	(30,235)
Amount introduced by directors	173,967	-
Amount withdrawn by directors	<u>(91,294)</u>	<u>(82,673)</u>
Net cash inflow/(outflow) from financing	<u>61,090</u>	<u>(112,908)</u>

THE TINTOMETER LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the period 1 December 2003 to 31 December 2004**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.03 £	Cash flow £	Other non-cash changes £	At 31.12.04 £
Net cash:				
Cash at bank and in hand	9,568	11,679		21,247
Bank overdraft	<u>(474,742)</u>	<u>333,831</u>		<u>(140,911)</u>
	<u>(465,174)</u>	<u>345,510</u>		<u>(119,664)</u>
Debt:				
Hire purchase	<u>(14,224)</u>	<u>21,583</u>	<u>(20,375)</u>	<u>(13,016)</u>
	<u>(14,224)</u>	<u>21,583</u>	<u>(20,375)</u>	<u>(13,016)</u>
Total	<u>(479,398)</u>	<u>367,093</u>	<u>(20,375)</u>	<u>(132,680)</u>

The notes form part of these financial statements

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period 1 December 2003 to 31 December 2004

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 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Tintometer GmbH, a company registered in Germany.

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 FRS 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 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 FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

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 pensions costs over the service life of the employees. The current pension deficit is spread in the profit and loss account over the remaining lives of current employees, in accordance with the advice of the scheme's qualified independent actuary.

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

2. TURNOVER

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

An analysis of turnover by geographical market is given below:

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
United Kingdom	1,402,692	1,417,049
Other European countries	1,265,667	1,372,358
Rest of the world	<u>1,050,790</u>	<u>1,020,792</u>
	<u>3,719,149</u>	<u>3,810,199</u>

3. STAFF COSTS

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Wages and salaries	1,321,117	1,257,991
Social security costs	122,944	102,996
Other pension costs	<u>175,085</u>	<u>161,545</u>
	<u>1,619,146</u>	<u>1,522,532</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

3. STAFF COSTS - continued

The average monthly number of employees during the period was as follows:

	Period 1.12.03 to 31.12.04	Year ended 30.11.03
Production and service	38	40
Sales and distribution	4	4
Administration	<u>14</u>	<u>14</u>
	<u>56</u>	<u>58</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2003 - operating profit) is stated after charging/(crediting):

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Hire of plant and machinery	19,714	19,403
Research and development	41,357	50,904
Depreciation - owned assets	73,719	73,152
Depreciation - assets on hire purchase contracts	12,641	18,684
Loss on disposal of fixed assets	20,845	294
Auditors' remuneration	16,025	13,200
Foreign exchange differences	<u>(1,006)</u>	<u>15,621</u>
Directors' emoluments	285,462	281,394
Directors' pension contributions to money purchase schemes	2,943	636
Compensation to director for loss of office	<u>61,500</u>	<u>-</u>

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

Money purchase schemes	1	1
Defined benefit schemes	<u>1</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Emoluments etc	<u>72,414</u>	<u>113,828</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 December 2003 to 31 December 2004

5. AMOUNTS WRITTEN OFF INVESTMENTS

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Provision for year	-	<u>5,000</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Bank interest	19,955	27,437
Loan interest	1,047	1,162
Hire purchase interest	<u>2,682</u>	<u>3,070</u>
	<u>23,684</u>	<u>31,669</u>

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the period was as follows:

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Current tax:		
UK Corporation tax	-	10,213
Prior year overprovision	<u>(9,451)</u>	<u>-</u>
Total current tax	(9,451)	10,213
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>(1,685)</u>
Tax on loss on ordinary activities	<u>(9,451)</u>	<u>8,528</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 December 2003 to 31 December 2004

7. TAXATION - continued

Factors affecting the tax (credit)/charge

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

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Loss on ordinary activities before tax	<u>(134,774)</u>	<u>(30,081)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2003 - 19%)	(25,607)	(5,715)
Effects of:		
Expenses not deductible for tax purposes	(3,206)	10,457
Depreciation charged in excess of capital allowances	2,754	5,471
Losses carried forward	26,059	-
Prior year overprovision	<u>(9,451)</u>	<u>-</u>
Current tax (credit)/charge	<u>(9,451)</u>	<u>10,213</u>

8. INTANGIBLE FIXED ASSETS

	Trade marks and patents £
COST	
At 1 December 2003 and 31 December 2004	<u>28,219</u>
AMORTISATION	
At 1 December 2003 and 31 December 2004	<u>28,219</u>
NET BOOK VALUE	
At 31 December 2004	<u>-</u>
At 30 November 2003	<u>-</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 December 2003	691,319	749,027	138,036	1,578,382
Additions	-	27,388	20,875	48,263
Disposals	-	(22,173)	(76,185)	(98,358)
At 31 December 2004	<u>691,319</u>	<u>754,242</u>	<u>82,726</u>	<u>1,528,287</u>
DEPRECIATION				
At 1 December 2003	180,547	634,076	64,430	879,053
Charge for period	14,175	46,383	25,802	86,360
Eliminated on disposal	-	(21,122)	(47,392)	(68,514)
At 31 December 2004	<u>194,722</u>	<u>659,337</u>	<u>42,840</u>	<u>896,899</u>
NET BOOK VALUE				
At 31 December 2004	<u>496,597</u>	<u>94,905</u>	<u>39,886</u>	<u>631,388</u>
At 30 November 2003	<u>510,772</u>	<u>114,951</u>	<u>73,606</u>	<u>699,329</u>

Cost or valuation at 31 December 2004 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>754,242</u>	<u>82,726</u>	<u>960,138</u>
	<u>691,319</u>	<u>754,242</u>	<u>82,726</u>	<u>1,528,287</u>

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

	2004 £	2003 £
Cost	<u>123,170</u>	<u>123,170</u>
Aggregate depreciation	<u>96,801</u>	<u>95,474</u>

During the period, the company entered into an agreement for the conditional sale of one of its freehold properties for an amount significantly in excess of its net book value included within these financial statements. At the balance sheet date the conditions for the sale to proceed had not been satisfied.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 December 2003 to 31 December 2004

9. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles £
COST OR VALUATION	
At 1 December 2003	67,060
Additions	20,875
Transfer to ownership	<u>(67,060)</u>
At 31 December 2004	<u>20,875</u>
DEPRECIATION	
At 1 December 2003	27,698
Charge for period	12,641
Transfer to ownership	<u>(34,077)</u>
At 31 December 2004	<u>6,262</u>
NET BOOK VALUE	
At 31 December 2004	<u><u>14,613</u></u>
At 30 November 2003	<u><u>39,362</u></u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 December 2003	4	5,000	5,004
Disposals	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
At 31 December 2004	<u>4</u>	<u>-</u>	<u>4</u>
PROVISIONS			
At 1 December 2003	-	5,000	5,000
Eliminated on disposal	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
At 31 December 2004	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE			
At 31 December 2004	<u><u>4</u></u>	<u><u>-</u></u>	<u><u>4</u></u>
At 30 November 2003	<u><u>4</u></u>	<u><u>-</u></u>	<u><u>4</u></u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

10. FIXED ASSET INVESTMENTS - continued

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

Optical Glass Accessories Limited

Nature of business: Dormant

	% holding	2004	2003
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Lovibond Limited

Nature of business: Dormant

	% holding	2004	2003
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>2</u>	<u>2</u>

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

11. STOCKS

	2004	2003
	£	£
Raw materials and consumables	176,950	188,578
Work in progress	25,174	19,212
Finished goods and goods for resale	349,424	310,472
Other stocks	<u>5,812</u>	<u>6,942</u>
	<u>557,360</u>	<u>525,204</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade debtors	480,778	829,236
Due from group undertakings	81,210	-
Other debtors	4	2,926
Director's current account	-	82,673
Value added tax	6,005	-
Prepayments	<u>53,554</u>	<u>18,753</u>
	<u>621,551</u>	<u>933,588</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 December 2003 to 31 December 2004

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank loans and overdrafts (see note 15)	140,911	474,742
Hire purchase contracts (see note 16)	6,791	14,224
Trade creditors	288,579	329,705
Due to group undertakings	198,811	4
Other creditors	-	17,352
Taxation and social security	34,074	36,521
Value added tax	-	4,924
Corporation tax	-	10,213
Accrued expenses	<u>21,997</u>	<u>20,523</u>
	<u><u>691,163</u></u>	<u><u>908,208</u></u>

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

	2004	2003
	£	£
Hire purchase contracts (see note 16)	<u>6,225</u>	<u>-</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2004	2003
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u><u>140,911</u></u>	<u><u>474,742</u></u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 December 2003 to 31 December 2004

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2004 £	2003 £
Gross obligations repayable:		
Within one year	7,528	15,989
Between one and five years	<u>6,970</u>	<u>-</u>
	<u>14,498</u>	<u>15,989</u>
Finance charges repayable:		
Within one year	737	1,765
Between one and five years	<u>745</u>	<u>-</u>
	<u>1,482</u>	<u>1,765</u>
Net obligations repayable:		
Within one year	6,791	14,224
Between one and five years	<u>6,225</u>	<u>-</u>
	<u>13,016</u>	<u>14,224</u>

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

	Other operating leases	
	2004 £	2003 £
Expiring:		
Within one year	-	4,358
Between one and five years	<u>8,234</u>	<u>4,134</u>
	<u>8,234</u>	<u>8,492</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2004 £	2003 £
Bank overdrafts	140,911	474,742
Hire purchase contracts	<u>13,016</u>	<u>14,224</u>
	<u>153,927</u>	<u>488,966</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 FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

18. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2004 £	2003 £
27,000	Ordinary	50p	<u>13,500</u>	<u>13,500</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2004 £	2003 £
11,000	Ordinary	50p	<u>5,500</u>	<u>5,500</u>

19. RESERVES

	Profit and loss account £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2003	661,559	103,600	483,076	5,750	1,253,985
Deficit for the period	(125,323)	-	-	-	(125,323)
Transfer from revaluation reserve	<u>12,848</u>	<u>-</u>	<u>(12,848)</u>	<u>-</u>	<u>-</u>
At 31 December 2004	<u>549,084</u>	<u>103,600</u>	<u>470,228</u>	<u>5,750</u>	<u>1,128,662</u>

Profit and loss account excluding pension liability	549,084
Pension reserve	<u>(858,600)</u>

Profit and loss account	<u>(309,516)</u>
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20. 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 31 December 2005. 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 triennial valuations using the attained age method. The most recent valuation was at 1 August 2004. 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% per annum and that increases to pensions in payment and deferment would be 3.75% and 4% per annum respectively.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

20. PENSION COMMITMENTS - continued

The 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.

The pension charge for the period was £143,716 (2003 - £134,346). At the balance sheet date there were no outstanding or prepaid contributions.

The company also operates a defined contribution pension scheme. During the period the company paid contributions of £21,048 (2003 - £16,851). 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 2004 and updated to 31 December 2004 by a qualified independent actuary. The major assumptions used by the actuary were:

	31.12.04	30.11.03	30.11.02
Rate of increase in salaries	4%	4%	4%
Rate of increase in pensions in payment	2.5%	2.5%	2.5%
Discount rate for scheme liabilities	6%	6%	6%
Inflation assumption	2.5%	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 31.12.04	Value at 31.12.04 £	Long-term rate of return expected at 30.11.03	Value at 30.11.03 £	Long-term rate of return expected at 30.11.02	Value at 30.11.02 £
Equities	7.5%	2,038,000	7.5%	1,950,000	7.5%	1,739,000
Fixed interest	5%	2,163,000	5%	1,956,000	5%	1,901,000
Cash	3.5%	<u>188,000</u>	3.5%	<u>177,000</u>	3.5%	<u>170,000</u>
Total market value of assets		4,389,000		4,083,000		3,810,000
Present value of scheme liabilities		<u>(5,449,000)</u>		<u>(4,866,000)</u>		<u>(4,822,000)</u>
Deficit in scheme		(1,060,000)		(783,000)		(1,012,000)
Related deferred tax asset		<u>201,400</u>		<u>148,770</u>		<u>192,280</u>
Net pension liability		<u><u>(858,600)</u></u>		<u><u>(634,230)</u></u>		<u><u>(819,720)</u></u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 December 2003 to 31 December 2004

20. PENSION COMMITMENTS - continued

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

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Current service cost	<u>93,000</u>	<u>96,000</u>
Total operating charge	<u>93,000</u>	<u>96,000</u>

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

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Expected return on pension scheme assets	267,000	232,000
Interest on pension scheme liabilities	<u>(309,000)</u>	<u>(291,000)</u>
Net return	<u>(42,000)</u>	<u>(59,000)</u>

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

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Actual return less expected return on pension scheme assets	193,000	6,000
Experience gains and losses arising on the scheme liabilities	<u>(479,000)</u>	<u>244,000</u>
Actuarial (loss)/gain	<u>(286,000)</u>	<u>250,000</u>

Movement in deficit during the period

	Period 1.12.03 to 31.12.04 £	Year ended 30.11.03 £
Deficit in scheme at start of period	(783,000)	(1,012,000)
Movement in period:		
Current service cost	(93,000)	(96,000)
Contributions	144,000	134,000
Other finance costs	(42,000)	(59,000)
Actuarial loss	<u>(286,000)</u>	<u>250,000</u>
Deficit in scheme at end of period	<u>(1,060,000)</u>	<u>(783,000)</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

20. PENSION COMMITMENTS - continued

History of experience gains and losses

	Period 1.12.03 to 31.12.04	Year ended 30.11.03	Year ended 30.11.02
Difference between the expected and actual return on scheme assets:			
amount (£)	193,000	6,000	(559,000)
percentage of scheme assets	4.4%	0.1%	(15)%
Experience gains and losses on scheme liabilities:			
amount (£)	(479,000)	244,000	(53,000)
percentage of the present value of the scheme liabilities	(8.8)%	5%	(1)%
Total actuarial gain or loss:			
amount (£)	(286,000)	250,000	(612,000)
percentage of the present value of the scheme liabilities	(5.2)%	5%	(13)%

21. ULTIMATE PARENT COMPANY

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

22. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the period ended 31 December 2004:

	£
P W Fawcett	
Balance outstanding at start of period	82,673
Balance outstanding at end of period	-
Maximum balance outstanding during period	<u>173,935</u>

No interest was charged on the overdrawn amounts, which were repaid in full during the period.

During the period, P W Fawcett purchased two motor vehicles from the company for a total amount of £9,000, which represented their open market value. Also, during the period, the company provided S G Cooper with a motor vehicle, that had an open market value of £11,900, at no charge on leaving his employment.

C P Voss has a controlling interest in and is a director of Tintometer GmbH, a company in which P W Fawcett was also a director. During the period, The Tintometer Limited sold to, and purchased from, Tintometer GmbH goods to the value of £321,103 and £660,067 respectively (2003 - £455,002 and £544,538). At the period end, The Tintometer Limited owed Tintometer GmbH £198,807 and was owed £81,210 (2003 - £127,428 and £106,407).

23. RELATED PARTY DISCLOSURES

Controlling interest

The company was under the control of P W Fawcett, who owned all of the issued share capital, until 8 July 2004, after which time it became a wholly owned subsidiary of Tintometer GmbH, a company under the control of C P Voss.

Inter-group transactions and balances

No disclosure has been made in respect of transactions and balances with other group companies as the company has taken advantage of exemptions available under Financial Reporting Standard 8.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 December 2003 to 31 December 2004

24. POST BALANCE SHEET EVENTS

Since the period end, the company has acquired land and has entered into a separate agreement for the design and construction of new production and office facilities on this new site.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Loss for the financial period	<u>(125,323)</u>	<u>(38,609)</u>
Net reduction of shareholders' funds	(125,323)	(38,609)
Opening shareholders' funds	<u>1,259,485</u>	<u>1,298,094</u>
Closing shareholders' funds	<u>1,134,162</u>	<u>1,259,485</u>
Equity interests	<u>1,134,162</u>	<u>1,259,485</u>