

JAMES ROBINSON LIMITED

Report and Financial Statements

31 December 2006



**Deloitte & Touche LLP
Leeds**

JAMES ROBINSON LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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JAMES ROBINSON LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the manufacture and sale of fine chemicals

REVIEW OF DEVELOPMENTS

Turnover decreased by £3,431,000 (26%) from £13,043,000 to £9,612,000 This decrease was due to transfer of manufacture of Photochromic dyes and Hair dyes to our sister company in Germany The company received commission income from the German company for all sales of the transferred products Profit before tax increased by £6,297,000 from a loss of £6,158,000 in the prior year to a profit of £139,000 in the current year Of this improvement £6,673,000 was in respect of the costs associated with the closure of manufacturing announced during 2005

On 1 July 2005 the company announced its intention to cease manufacturing at the Huddersfield site and source product from its sister sites in Germany and India whilst maintaining the headquarters in the UK The product transfers are now almost complete and it is therefore planned that production activities at the Huddersfield site will cease completely at the end of March 2007

The headquarters of James Robinson business will be maintained in the UK, together with Sales & Marketing and Research & Development These functions are to be relocated to new offices, and investment is currently being made in modern and substantial laboratory facilities in the Huddersfield area It is anticipated that the relocation will occur during the second quarter of 2007

A programme of site clearance work has been ongoing throughout the year as product transfers have been completed Total costs of £1,544k associated with the Huddersfield site closure were incurred and charged to provisions during 2006 Work has progressed very well and it expected that all remaining tasks will be completed by the end of June 2007

The balance sheet on page 7, shows the company financial position in net liability to be consistent with the prior year

There have been no significant events since the balance sheet date

The Yule Catto Plc manages its operations on a divisional basis For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the company is discussed in the group's Annual Report which does not form part of this Report

Principal Risks and Uncertainties

The company remains at risk from competitive pressure mainly from low cost economies, the company manages this risk by keeping up to date on market information, maintaining strong relationships and providing a value added service to our customers

A significant amount of sales are in currencies (\$ & €) and therefore the company is exposed to a rate change in these currencies

DIVIDENDS

The directors do not recommend the payment of a final dividend (2005 - £7,800,000)

FUTURE PROSPECTS

James Robinson has ambitious growth plans, and we believe that the consolidation of our production capabilities will provide a robust platform for the future It is securing our position as a long-term supply partner, and we are confident that we will maintain an enviable competitive position in terms of quality, efficiency and innovation

JAMES ROBINSON LIMITED

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and unless specified below up to the date of this report were

R G Rae	
P Hollowood	(Resigned on 31 July 2006)
K F Enderle	
B Catlow	(Resigned on 31 December 2006)
D J Drake	
S J Ibbetson	
S V Cummins	
A Walker	(Resigned on 17 August 2006)
A Whitfield	(Appointed on 17 August 2006)
R J A Smith	(Appointed on 1 January 2007)

The director's interests in the shares of the ultimate holding company, Yule Catto & Co plc were as follows

	31 December 2006		31 December 2005	
	10p ordinary shares		10p ordinary shares	
	Shares	Options	Shares	Options
R G Rae	-	138,076	34,567	157,004
S V Cummins	79,117	284,684	59,117	284,120
A Whitfield	6,000	124,532	-	-

There are no other interests required to be disclosed under section 234 of the Companies Act 1985

RESEARCH AND DEVELOPMENT

Research and development activity is undertaken in the field of fine chemical improvements and developments

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company.

SUPPLIER PAYMENT POLICY

It is the company's policy to make suppliers aware of payment terms at the time of each transaction and to make these terms known to staff who handle payments to suppliers so that they are adhered to. Trade creditors at 31 December 2006 expressed in relation to the total amounts invoiced by suppliers for goods and services during the year were equivalent to 63 days (2005 - 54 days).

JAMES ROBINSON LIMITED

DIRECTORS' REPORT

TREASURY

The company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The company uses forward foreign currency contracts to manage the currency risks arising from the company's operations.

The company hedges currency transaction exposures at the point of confirmed order, using forward foreign exchange contracts. The company's policy is, where practicable, to hedge all exposures on monetary assets and liabilities.

AUDITOR

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

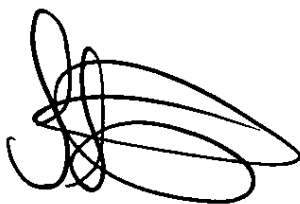
(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

S J Ibbetson
Director



27 February 2007

P O Box B3
Hillhouse Lane
Huddersfield
HD1 6BU

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES ROBINSON LIMITED

We have audited the financial statements of James Robinson Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 21. These financial statements have been prepared under 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 in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant framework and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements, 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 directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

28 February

2007

JAMES ROBINSON LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2006

	Note	2006 £'000	2005 £'000
TURNOVER	2	9,612	13,043
Cost of sales		(8,419)	(10,285)
GROSS PROFIT		1,193	2,758
Other operating expenses	3	(2,050)	(2,081)
Other income	4	1,112	-
OPERATING PROFIT		255	677
Profit/(Loss) on disposal of fixed assets and restructuring costs	5	27	(6,673)
Finance charges (net)	6	(143)	(162)
PROFIT /(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	7	139	(6,158)
Tax on profit/(loss) on ordinary activities	9	73	291
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	19	212	(5,867)

All results are derived from continuing operations

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the years ended 31 December 2006 and 2005 respectively, and their respective historical cost equivalents

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than the profit for the year, accordingly a statement of total recognised gains and losses has not been prepared

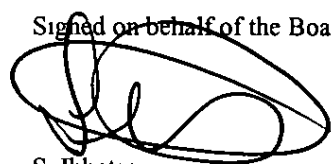
JAMES ROBINSON LIMITED

BALANCE SHEET As at 31 December 2006

	Note	2006 £'000	2005 £'000
FIXED ASSETS			
Tangible assets	11	133	179
CURRENT ASSETS			
Stocks and work in progress	12	2,223	2,964
Debtors	13	2,471	2,089
Cash at bank and in hand		-	1,169
CREDITORS: amounts falling due within one year	14	4,694 (2,760)	6,222 (2,237)
NET CURRENT ASSETS		1,934	3,985
TOTAL ASSETS LESS CURRENT LIABILITIES		2,067	4,164
CREDITORS: amounts falling due after more than one year	15	(3,119)	(3,869)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(798)	(2,357)
NET LIABILITIES		(1,850)	(2,062)
CAPITAL AND RESERVES			
Called up share capital	17	71	71
Share premium	18	3,500	3,500
Profit and loss account	18	(5,421)	(5,633)
TOTAL EQUITY SHAREHOLDER'S DEFICIT		(1,850)	(2,062)

These financial statements were approved by the Board of Directors on 27 February 2007

Signed on behalf of the Board of Directors



S Ibbetson
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain freehold and leasehold land and buildings and in accordance with United Kingdom applicable accounting standards.

A cash flow statement has not been prepared as the company is a wholly owned subsidiary undertaking of Yule Catto & Co plc, a company registered in England and Wales. A consolidated cash flow statement is provided in the group financial statements of that company.

Turnover

Turnover represents the net invoiced value for goods and services supplied within the normal course of business, net of trade discounts, VAT and other sales related taxes.

Foreign currency

Transactions denominated in foreign currencies are recorded in pounds sterling at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the balance sheet date or, where appropriate, at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Pension costs

The company participates in a group funded defined benefit scheme (see note 20) and a money purchase scheme. Pension costs charged to the profit and loss account represent the contributions payable in the year.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment

The company has taken advantage of the transitional provisions of FRS 15 'Tangible fixed assets' and retained the book amounts of certain freehold buildings which were revalued prior to implementation of that standard. The properties were last revalued at September 1987 and the valuations have not subsequently been updated.

Depreciation is provided at rates calculated to write off the cost or valuation of each asset on a straight line basis over its estimated useful life at the following annual rates:

Freehold buildings 2% or 4% per annum

Plant and equipment 5% - 25% per annum, primarily 10% per annum

Motor vehicles 25% or 33% per annum

Research and development

All revenue expenditure associated with research and development activities is written off in the year of expenditure.

Stocks

Stocks and work in progress are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

Costs represent expenses incurred in bringing the product to its present location and condition.

Net realisable value is based on estimated normal selling price less further costs to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Grants

Government grants are credited to the profit and loss account as the related expenditure is incurred.

2. TURNOVER

The company's turnover relates entirely to its principal activities. The geographical analysis of turnover by destination for the year is as follows:

	2006 £'000	2005 £'000
United Kingdom	3,426	2,206
Rest of Europe	4,036	6,879
Asia and Middle East	572	483
North America	997	2,538
Other	581	937
	<u>9,612</u>	<u>13,043</u>

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

3. OTHER OPERATING EXPENSES

	2006 £'000	2005 £'000
Distribution costs	598	606
Administrative expenses	1,467	1,490
Utilisation of provision (see note 16)	(15)	(15)
Total administrative expenses	1,452	1,475
	<u>2,050</u>	<u>2,081</u>

4. OTHER INCOME

Other income relates to sales commission income received from other group companies

5. LOSS ON DISPOSAL OF FIXED ASSETS AND RESTRUCTURING COSTS

In July 2005 the company announced its intention to cease manufacture at its Huddersfield site and following a programme of product transfers source its product requirement from its sister companies. Costs associated with the closure of the manufacturing site of £6,673,000 were charged to the profit and loss account in that year and included a fixed asset write-off of £4,063,000. Of this charge £4,331,000 was utilised in 2005 and the remaining restructuring costs of £2,342,000 provided at the end of 2005. In 2006 restructuring costs of £1,544,000 were incurred and charged to this provision. A profit of £27,000 was realised on the disposal of fixed assets and credited to the profit and loss account.

6. FINANCE CHARGES (NET)

	2006 £'000	2005 £'000
Interest (payable)/receivable	(7)	7
Interest payable on other loans	(136)	(169)
	<u>(143)</u>	<u>(162)</u>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation is stated after charging		
Depreciation of owned tangible fixed assets	52	545
(Profit)/loss on disposal of fixed assets and restructuring costs (see note 5)	(27)	6,673
Auditors' remuneration		
- audit	15	15
- non-audit	2	-
Staff costs (see note 8)	1,883	2,624
	<u>1,883</u>	<u>2,624</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

8. STAFF COSTS AND DIRECTORS' REMUNERATION

The average monthly number of employees (including executive directors) was

	2006 Number	2005 Number
Production	22	33
Sales and distribution	12	11
Administration	18	18
	<u>52</u>	<u>62</u>

Their aggregate remuneration comprised

	2006 £'000	2005 £'000
Wages and salaries	1,452	1,983
Social security costs	143	193
Other pension costs (note 20(c))	288	448
	<u>1,883</u>	<u>2,624</u>

Remuneration

The remuneration of the directors was as follows

	2006 £'000	2005 £'000
Emoluments	320	435
Company contributions to defined contribution schemes	10	9
	<u>330</u>	<u>444</u>

The above amounts do not include the value of any shares or options received in the parent company under long-term incentive schemes

One directors was a member of the company's defined benefit scheme (2005 two) Four directors were members of the company's defined contribution scheme (2005 three)

Highest paid directors

The amounts shown above include the following in respect of the highest paid director

	2006 £'000	2005 £'000
Emoluments	107	105
Company contributions to defined contribution schemes	4	3
	<u>111</u>	<u>108</u>

A Whitfield and S V Cummins at 31 December 2006 are also the directors of Yule Catto & Co plc, and other fellow subsidiary companies All remuneration is borne by99999 Yule Catto & Co plc and it is not practicable to ascertain the proportion of these directors' emoluments that specifically relate to the company Further details of their remuneration can be found in the annual report of the ultimate parent company R G Rae is also a director of other fellow subsidiary companies and his remuneration is borne by Yule Catto & Co plc It is not practicable to ascertain the proportion of this director's emoluments that specifically relate to the company

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge comprises

	2006 £'000	2005 £'000
Current taxation		
UK corporation tax	93	387
Adjustment in respect of prior year	(232)	(153)
Total current tax	<u>(139)</u>	<u>234</u>
Deferred tax		
Origination and reversal of timing differences	1,345	(164)
Adjustment in respect of prior year	(1,279)	(361)
Total deferred tax	<u>66</u>	<u>(525)</u>
Total tax on profit /(loss) on ordinary activities	<u>(73)</u>	<u>(291)</u>

The differences between the total standard rate of UK corporation tax and the effective rate of tax as shown in the profit and loss account is as follows

	2006 £'000	2005 £'000
Profit/(Loss) on ordinary activities before tax	<u>139</u>	<u>(6,158)</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	42	(1,847)
Effects of		
Expenses not deductible for tax purposes	4	1,313
Depreciation in excess of capital allowances	86	164
Tax benefit from research & development	(59)	-
Tax on imputed interest income	19	55
Group relief	(688)	702
Adjustment in respect of prior year	457	(153)
Current tax charge for the year	<u>(139)</u>	<u>234</u>

The company earns its profits primarily in the UK. Therefore the tax rate for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 30%.

10. EQUITY DIVIDENDS PAID AND PROPOSED

	2006 £'000	2005 £'000
Interim dividend paid - £nil (2005 £110.33) per ordinary share	<u>-</u>	<u>7,800</u>

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

11. TANGIBLE FIXED ASSETS

	Leasehold land and freehold buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2006	3,891	8,012	90	11,993
Additions	16	4	-	20
Disposals	-	(10)	(22)	(32)
At 31 December 2006	3,907	8,006	68	11,981
Depreciation				
At 1 January 2006	3,891	7,868	55	11,814
Charge for the year	-	37	15	52
Disposals	-	(2)	(16)	(18)
At 31 December 2006	3,891	7,903	54	11,848
Net book value				
At 31 December 2006	16	103	14	133
At 31 December 2005	-	144	35	179

Included within plant and equipment at the end of 2006 were fixed assets in the course of construction with a cost of £16,000 (2005 – nil)

12. STOCKS

	2006 £'000	2005 £'000
Raw materials and consumables	207	373
Work in progress	92	663
Finished goods and goods for resale	1,924	1,928
	2,223	2,964

There is no material difference between the balance sheet value of stocks and their replacement cost

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

13. DEBTORS

	2006 £'000	2005 £'000
Amounts falling due within one year		
Trade debtors	1,637	1,174
Amounts owed by other group undertakings	553	587
VAT	92	48
Other debtors	33	39
Prepayments and accrued income	156	175
Deferred tax asset (see note 16)	-	66
	<u>2,471</u>	<u>2,089</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Bank overdraft	883	147
Trade creditors	539	831
Amounts owed to group undertakings	509	483
UK corporation tax	93	338
Other creditors	584	213
Other taxation and social security	44	52
Accruals and deferred income	108	173
	<u>2,760</u>	<u>2,237</u>

The company has cross guaranteed overdrafts and banking facilities of other group companies. The amount outstanding on the group facility at 31 December 2006 was £2,907,000 (2005 £10,375,000)

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

	2006 £'000	2005 £'000
Amounts owed to parent company	<u>3,119</u>	<u>3,869</u>

The amounts owed to the parent company comprises amounts of £869,000 which is interest free (2005 - £869,000) and £2,250,000 which bears interest at the bank overdraft rate (2005 £3,000,000). Both amounts are unsecured and have no fixed repayment date.

The loan facility agreements in respect of the balances due to the parent company state that the parent company is required to give the company 365 days notice of repayment unless the company defaults.

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

16. PROVISION FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges comprise

	Restructuring provision £'000	Other £'000	Total £'000
At 1 January 2006	2,342	15	2,357
Utilised in the year	(1,544)	-	(1,544)
Credited to profit and loss account	-	(15)	(15)
	<u>798</u>	<u>-</u>	<u>798</u>
At 31 December 2006			

Restructuring provision

It is expected that the majority of this expenditure will be incurred within twelve months from the balance sheet date

Deferred tax asset

	£'000
Asset at 1 January 2006	66
Charged to profit and loss account	(66)
	<u>-</u>
Asset at 31 December 2006 (see note 13)	<u>-</u>

The unprovided deferred tax in the current year of £1,432,000 (2005 Nil) is in relation to accelerated capital allowances

17. CALLED UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
70,701 (2005 70,701) ordinary shares of £1 each	<u>71</u>	<u>71</u>

JAMES ROBINSON LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

18. RESERVES

	Share premium £'000	Profit and loss account £'000	Total £'000
As at 1 January 2005	3,500	(5,633)	(2,133)
Retained profit for the financial year	-	212	212
As at 31 December 2006	<u>3,500</u>	<u>(5,421)</u>	<u>(1,921)</u>

19. RECONCILIATION OF MOVMENT IN EQUITY SHAREHOLDERS' DEFICIT

	2006 £'000	2005 £'000
Profit/(loss) for the financial year	212	(5,867)
New shares issued	-	3,500
Dividends paid and proposed	-	(7,800)
Net increase/ (reduction) in equity shareholders' funds	<u>212</u>	<u>(10,167)</u>
Opening equity shareholders' (deficit)/funds	(2,062)	8,105
Closing equity shareholders' deficit	<u>(1,850)</u>	<u>(2,062)</u>

20. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

At the end of the year capital commitments contracted but not provided for were £244,000 (2005 Nil)

b) Contingent liabilities

The company has given a duty deferment guarantee to HM Customs and Excise of £240,000 (2005 - £240,000)

The company has cross guaranteed overdrafts and banking facilities of other group companies. The amount outstanding on the group facility at 31 December 2006 was £2,907,000 (2005 £10,375,000)

c) Pension commitments

The company participates in a funded defined benefit scheme (The Yule Catto Group Retirement Benefits Scheme) together with a number of other Yule Catto Group companies. The assets of the scheme are held separately from those of the company or any of the Yule Catto Group of companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company.

The Group's defined benefit scheme was closed to new members with effect from 31 December 1998. On 1 January 1999 the Group introduced a defined contribution scheme which is open to all eligible Group employees. Details of the schemes and of the most recent actuarial valuations are given in the financial statements of Yule Catto & Co plc.

The pension charge for the period was £267,000 (2005 £425,000)

In accordance with FRS17, the company accounts for its contributions to the Defined Benefit scheme as if it were a Defined Contribution scheme because it is not possible to identify the company's share of the assets and liabilities in the scheme on a consistent and reasonable basis. The latest actuarial valuation of the scheme prepared for the purpose of making transitional disclosures in accordance with FRS17 in the consolidated financial statements of the parent show a net pension liability of £69.3m at 31 December 2006.

Further details of this valuation can be found in the annual report of the ultimate parent company.

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

20. GUARANTEES AND OTHER FINANCIAL COMMITMENTS (continued)

The contribution rate for 2006 was 37.9% of pensionable earnings and the agreed contribution rate for 2007 is 37.9% of pensionable earnings

Further details of this valuation can be found in the annual report of the ultimate parent company

In addition the company made contributions during the year to defined contribution schemes totalling £21,000 (2005 £23,000)

d) Forward foreign exchange contracts

As at 31 December 2006 the total sterling equivalent of outstanding forward foreign exchange contracts entered into by the company amounted to £334,000 (2005 £400,000) all of which was covered by net foreign currency monetary assets at the balance sheet date (2005 £34,000)

21. ULTIMATE HOLDING COMPANY & RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary undertaking of Holliday Chemical Holdings plc. The directors regard Yule Catto & Co plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

Yule Catto & Co plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Central Road, Temple Fields, Harlow, Essex, CM20 2BH.

As a subsidiary undertaking of Yule Catto & Co plc, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Yule Catto & Co plc.

Included in 'amounts owed to group undertakings' are amounts owed by the company of £459,000 (2005 £437,000) to James Robinson India (Pvt) Ltd in which the group is a 65.68% shareholder. During the year, purchase of goods with James Robinson India (Pvt) Ltd amounted to £2,718,000 (2005 £2,911,000) and services rendered to James Robinson India (Pvt) Ltd amounted to £21,000 (2005 £37,000).

There are no other related party transactions requiring disclosure.