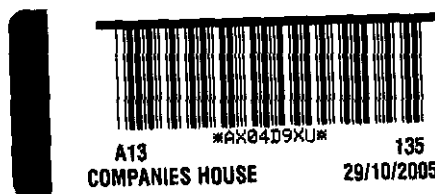


POINTING CHEMICALS LIMITED
COMPANY NO. 2365064
REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

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POINTING CHEMICALS LIMITED**REPORT OF THE DIRECTORS**

The directors present their report and audited financial statements for the year ended 31 December 2004.

ACTIVITIES AND BUSINESS REVIEW

On 20 December 2000, the company's business was sold to The White Sea and Baltic Company Limited. From that date the company has not traded and the directors are planning to liquidate the company by December 2006.

RESULTS AND DIVIDENDS

During the year the loss on ordinary activities was £231,968 (2003: profit £76,586) after deducting taxation of £232,752 (crediting 2003 : £76,586). The directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

At 31 December none of the directors had a beneficial interest in the shares of the company or any other UK Group Company. The directors who served during the year were: -

C. Lawlor (resigned 8 April 2005)

S. Rolfs

J. T. Makal (appointed 8 April 2005)

Other than as disclosed in the notes to the financial statements no director had a contract, or were materially interested in any significant contract, with the company at any time during the year.

POINTING CHEMICALS LIMITED
REPORT OF THE DIRECTORS - CONTINUED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

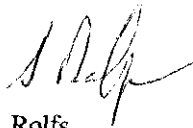
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also 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

Following the passing of an elective resolution to dispense with the annual appointment of auditors by the company, Rycroft Glenton remain in office until otherwise determined.

Approved by the board of directors on *25th October 2005*
and signed on their behalf by:



S. Rolfs
Director

INDEPENDENT AUDITORS' REPORT**TO THE SHAREHOLDERS OF POINTING CHEMICALS LIMITED**

We have audited the financial statements of Pointing Chemicals Limited on pages 4 to 12 for the year ended 31 December 2004. These financial statements have been prepared under the historical cost convention 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 auditor's 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'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 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with 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 affairs of the company as at 31 December 2004 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ryecroft Glenton

RYECROFT GLENTON

Chartered Accountants

Registered Auditor

32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

28th October 2005

POINTING CHEMICALS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2004

		2004 £	2003 £
	Notes		
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Distribution costs		-	-
Administrative expenses		(1)	-
OPERATING (LOSS)/PROFIT	2	(1)	-
Interest receivable and similar income	3	785	-
Interest payable and similar charges		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		784	-
Tax on profit on ordinary activities	5	(232,752)	76,586
RETAINED (LOSS)/PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		<u>(231,968)</u>	<u>76,586</u>

There were no recognised gains or losses other than the loss for the year.

There were no acquisitions or discontinued operations during the year.

There is no material difference between the loss disclosed above and the result on an unmodified historical cost basis.

The notes on pages 7 to 12 form part of these financial statements.

POINTING CHEMICALS LIMITED

STATEMENT OF RESERVES

YEAR ENDED 31 DECEMBER 2004

	Profit and loss account £
At 1 January 2004	2,000,046
Retained loss for the year	<u>(231,968)</u>
At 31 December 2004	<u>1,768,078</u>

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004 £	2003 £
(Loss)/profit for the financial year	(231,968)	76,586
Opening equity shareholders' funds	<u>2,012,046</u>	<u>1,935,460</u>
Closing equity shareholders' funds	<u>1,780,078</u>	<u>2,012,046</u>

The notes on pages 7 to 12 form part of these financial statements.

POINTING CHEMICALS LIMITED
BALANCE SHEET AT 31 DECEMBER 2004

		2004 £	2003 £
	Notes		
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	1,780,078	2,341,086
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	-	329,040
NET CURRENT ASSETS		<u>1,780,078</u>	<u>2,012,046</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,780,078</u></u>	<u><u>2,012,046</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	12,000	12,000
Profit and loss account		<u>1,768,078</u>	<u>2,000,046</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>1,780,078</u></u>	<u><u>2,012,046</u></u>

Approved by the board of directors on *25th October 2005*
and signed on their behalf by:


S. ROLFS
DIRECTOR

The notes on pages 7 to 12 form part of these financial statements.

POINTING CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Accounting convention and accounting standards

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a 100% subsidiary of a company preparing consolidated financial statements.

Pensions

The company participated in a defined benefit scheme, which requires contributions to be made to separately administered funds. Contributions to these funds were charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. Variations in pension cost, which were identified as a result of actuarial valuations, were spread over the average expected remaining working lives of employees.

Differences between the amounts funded and the amounts charged to the profit and loss account were shown as either provisions or prepayments in the balance sheet.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes only where the directors are of the opinion that it can be reasonably foreseen that such deferred taxation will be payable or recoverable in the future.

2. OPERATING (LOSS)/PROFIT

	2004 £	2003 £
This is stated after including:		
Auditors' remuneration (charged to holding company)	<u>1,050</u>	<u>1,050</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004 £	2003 £
Interest received from other debtor	785	-
	<u>785</u>	<u>-</u>

POINTING CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 2004

4. PENSIONS

The company participated in a funded defined benefit scheme for the benefit of certain employees of the company. The scheme's assets are independently administered by its trustees. The funding of the scheme is assessed in accordance with the advice of a professionally qualified actuary on the basis of triennial valuations. The most recent valuation was carried out as at 31 December 2003 using the Attained Age method. The valuation excluded certain bonus payments made to employees of the group.

Information on the assumptions used and the results of the actuarial valuation is reported in the accounts of Pointing Holdings Limited.

No contributions (31 December 2003: £ Nil) were due to the scheme at the year end. Future contributions to the scheme will be made by Pointing Holdings Limited and further details are given in the financial statements of that company.

The Scheme is contracted out of the State Earnings Related Pension scheme and is closed to new joiners. As the scheme is closed to new entrants, the service cost, calculated on the Attained Age method, will be expected to rise over time as a percentage of the salaries of members as the average age of the remaining active members increases. It may, however, decrease in actual monetary terms as the active membership shrinks due to staff turnover.

Further actuarial valuations of the scheme were carried out by qualified independent actuaries for Financial Reporting Standard (FRS) No. 17 – "Retirement benefits" purposes. In these valuations, the defined benefit liabilities have been measured using the Attained Age method and both the assets and liabilities include the value of pensions in payment, which are secured with insured annuities. FRS17 distinguishes between the "expected return on assets" and the "discount rate" used to assess the liabilities. This serves to increase the measured value of the liabilities and can require the disclosure of a deficit where other valuation methods would show the pension fund to be in balance. The actuaries were aware of the exclusion of certain bonus payments from the calculations but have not taken account of the potential increase in liabilities that would arise if a claim that they be included was successful.

The disclosures made below about the scheme assume that the company is ultimately responsible to meet its share of the balance of the cost of the scheme. Although the scheme is a defined benefit scheme, in the interest of reducing costs the individual company's share of the underlying assets and liabilities have not been identified. However, the directors believe that no charge would be levied on the company in the event of the principal employer having to make further contributions to the scheme.

FRS 17 does not require the inclusion of any amounts relating to the scheme within the company's balance sheet and statement of total recognised gains and losses.

FRS 17 disclosures for the scheme

The major assumptions used by the actuaries were:-	At 31 December 2004	At 31 December 2003	At 31 December 2002
Rate of increase in salaries	4.3%	4.3%	3.8%
Rate of increase in pensions in payment	2.8%	2.8%	2.3%
Discount rate	5.2%	5.3%	5.4%
Inflation assumption	2.8%	2.8%	2.3%

POINTING CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 2004

4. PENSIONS - CONTINUED

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 £ 000	Long-term Rate of Return Expected At 31/12/03	Value at 31/12/03 £ 000	Long-term Rate of Return Expected At 31/12/02	Value at 31/12/02 £ 000
Equities	7.7%	2,536	8.0%	2,507	8.0%	2,242
Bonds	4.7%	1,416	4.5%	1,301	4.5%	1,181
Other	3.5%	34	3.5%	16	3.5%	23
Total market value of assets		<u>3,986</u>		<u>3,824</u>		<u>3,446</u>
Present value of scheme liabilities		6,227		5,990		5,174
Gross Pension liability		<u>(2,241)</u>		<u>(2,166)</u>		<u>(1,728)</u>
Related deferred tax asset		672		650		518
Net pension liability		<u>(1,569)</u>		<u>(1,516)</u>		<u>(1,210)</u>

An analysis of the amount which would have been charged to operating profit is as follows:

	2004 £ 000	2003 £ 000
Current service cost	1	1
Past service cost	-	-
Total operating charge	<u>1</u>	<u>1</u>

An analysis of the amount which would have been credited to other financing costs is as follows:

	2004 £ 000	2003 £ 000
Expected return on pension scheme assets	256	233
Interest on pension scheme liabilities	<u>(314)</u>	<u>(279)</u>
Other finance costs	<u>(58)</u>	<u>(46)</u>

POINTING CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 2004

4. PENSIONS - CONTINUED

An analysis of the amount which would have been recognised in the statement of total recognised gains and losses is as follows:

	2004 £ 000	2003 £ 000
Actual less expected return on pension scheme assets	(81)	84
Experience gain/(losses) on the pension scheme liabilities	-	-
Change in assumptions underlying the present value of scheme liabilities	<u>(76)</u>	<u>(475)</u>
Actuarial losses recognised in the statement of recognised gains and losses	<u>(157)</u>	<u>(391)</u>

An analysis of the movement in deficit during the year would have been as follows:

	2004 £ 000	2003 £ 000
Deficit at beginning of the year	(2,166)	(1,728)
Current service cost	(1)	(1)
Contributions	141	-
Past service costs	-	-
Other finance costs	(58)	(46)
Actuarial loss	<u>(157)</u>	<u>(391)</u>
Deficit in scheme at the end of the year	<u>(2,241)</u>	<u>(2,166)</u>

History of experience gains and losses

	2004 £ 000	2003 £ 000	2002 £ 000
Difference between the expected and actual return on scheme assets:			
Amount £ 000	(81)	84	130
Percentage of the scheme assets	(2)%	2%	4%
Experience gains and losses on scheme liabilities			
Amount £ 000	-	-	(6)
Percentage of the scheme liabilities	-	-	-
Total amount recognised in statement of recognised gains and losses			
Amount £ 000	(157)	(391)	(224)
Percentage of the scheme liabilities	(2)%	(7)%	(4)%

POINTING CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 2004

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
a) Analysis of charge for the year		
UK corporation tax on profits at 30%	-	-
Current tax charge for the year (note 6b)	-	-
Amount due for group relief (claimed)	(235)	-
Amount due for group relief (claimed)/surrendered – prior years	(232,517)	76,586
Tax on profit on ordinary activities	<u>(232,752)</u>	<u>76,586</u>

b) **Factors affecting tax charge for the year**

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>784</u>	<u>=</u>
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 30% (2003: 30%)	(235)	-
Reversal of utilisation of tax losses	-	-
Expenses/(income) not deductible/(assessable) for tax purposes	-	-
Group relief claimed	<u>235</u>	<u>-</u>
Current tax charge for the year (note 6a)	<u>=</u>	<u>=</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed by group undertakings	1,780,078	2,250,000
Amounts owed for group relief surrendered	-	76,586
Other debtors	-	14,500
	<u>1,780,078</u>	<u>2,341,086</u>

POINTING CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 2004

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed to group undertakings	-	300,718
Other creditors	-	28,322
	<u> </u>	<u> </u>
	<u> </u>	<u>329,040</u>

8. SHARE CAPITAL

	2004		2003	
	No.	£	No.	£
Authorised				
Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
Issued, allotted and fully paid				
Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

9. ULTIMATE HOLDING COMPANY CONTROL

At the year end the company was a wholly owned subsidiary of Pointing Holdings Limited, whose penultimate holding company is Sensient Technologies (UK) Limited. The ultimate holding company is Sensient Technologies Corporation.

Pointing Holdings Limited and Sensient Technologies (UK) Limited are incorporated in Great Britain and registered in England and Wales. Their financial statements are filed at Companies House, Cardiff. Sensient Technologies Corporation is incorporated and registered in the United States of America. Its financial statements are filed at the Securities and Exchange Commission, Washington DC

10. RELATED PARTY TRANSACTIONS

The exemption granted by Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions and balances with other group companies where 90% or more of the voting rights are controlled within the group has been used in preparing these financial statements.

11. CONTINGENT LIABILITIES

The company had no contingent liabilities at either year end.

12. CAPITAL COMMITMENTS

The company had no capital commitments at either year end.

13. FINANCIAL COMMITMENTS

The company had no financial commitments under operating leases at either year end.