

COMPANY REGISTRATION NUMBER 3771063

**GLOBAL COLOR RESEARCH  
LIMITED**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2005**



**SCRUTTON BLAND**  
Accountants & Registered Auditors  
Sanderson House  
Museum Street  
Ipswich  
IP1 1HE

# **GLOBAL COLOR RESEARCH LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2005**

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# **GLOBAL COLOR RESEARCH LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The director</b>	J Nash
<b>Company secretary</b>	A Harrison
<b>Registered office</b>	1 Queen Anne Terrace Sovereign Court The Highway London E1W 3HH
<b>Auditor</b>	Scrutton Bland Accountants & Registered Auditors Sanderson House Museum Street Ipswich IP1 1HE

# **GLOBAL COLOR RESEARCH LIMITED**

## **THE DIRECTOR'S REPORT**

**YEAR ENDED 31ST DECEMBER 2005**

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The director presents her report and the financial statements of the company for the year ended 31st December 2005.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company in the period under review was the design and production of colour forecasting manuals.

The director anticipates profitable trading in the coming year. With new and exciting opportunities, the company is further extending its working relationships as well as maintaining complimentary working relationships to service our customers. The major new contract secured last year is ongoing and this together with our new opportunities will result in increased sales of the company.

### **THE DIRECTOR AND HER INTERESTS IN THE SHARES OF THE COMPANY**

The director who served the company during the year together with her beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At</b>	<b>At</b>
	<b>31 December 2005</b>	<b>1 January 2005</b>
J Nash	<u>200</u>	<u>200</u>

### **DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director 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 year.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

### **AUDITOR**

A resolution to re-appoint Scrutton Bland as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# GLOBAL COLOR RESEARCH LIMITED

## THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2005

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### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
1 Queen Anne Terrace  
Sovereign Court  
The Highway  
London  
E1W 3HH

Signed by order of the director

A. H. —

A Harrison  
Company Secretary

Approved by the director on 26<sup>th</sup> July 2006

# **GLOBAL COLOR RESEARCH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLOBAL COLOR RESEARCH LIMITED**

**YEAR ENDED 31ST DECEMBER 2005**

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We have audited the financial statements of Global Color Research Limited for the year ended 31st December 2005 on pages 6 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 8 to 9.

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 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 DIRECTOR AND AUDITOR**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's Report 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 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 director 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.

# GLOBAL COLOR RESEARCH LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLOBAL COLOR RESEARCH LIMITED *(continued)*

YEAR ENDED 31ST DECEMBER 2005

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### GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made by the director in the financial statements concerning the going concern basis of the financial statements (note 1). The financial statements do not include any adjustments that would arise should the going concern basis not be appropriate. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

### OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*Scrutton Bland*

Sanderson House  
Museum Street  
Ipswich  
IP1 1HE

SCRUTTON BLAND  
Accountants  
& Registered Auditors

*2 April 2006*

# GLOBAL COLOR RESEARCH LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2005

	Note	Year to 31 Dec 05 £	Period from 1 Sep 03 to 31 Dec 04 £
<b>TURNOVER</b>	2	891,569	470,348
Cost of sales		<u>447,820</u>	<u>312,934</u>
<b>GROSS PROFIT</b>		443,749	157,414
Selling and marketing costs		38,335	63,377
Administrative expenses		330,545	230,411
Other operating income	3	—	<u>(16,250)</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	74,869	(120,124)
Interest receivable		254	456
Interest payable and similar charges		<u>(284)</u>	—
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>74,839</u>	<u>(119,668)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>74,839</u>	<u>(119,668)</u>

None of the company's activities were acquired or discontinued during the above two financial periods.

The notes on pages 8 to 13 form part of these financial statements.



# GLOBAL COLOR RESEARCH LIMITED

## BALANCE SHEET

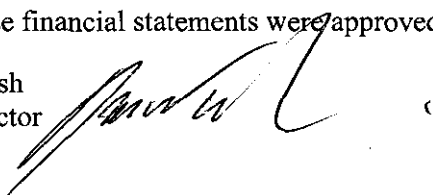
31ST DECEMBER 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	6	16,503	<u>6,169</u>
<b>CURRENT ASSETS</b>			
Stocks		9,736	57,149
Debtors	7	454,985	108,536
Cash at bank		<u>5,527</u>	<u>17,154</u>
		470,248	182,839
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>367,047</u>	<u>153,137</u>
<b>NET CURRENT ASSETS</b>		<b>103,201</b>	<b>29,702</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>119,704</b>	<b>35,871</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<b>263,191</b>	<b>254,197</b>
		<u>(143,487)</u>	<u>(218,326)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	1,000	1,000
Profit and loss account	13	<u>(144,487)</u>	<u>(219,326)</u>
<b>DEFICIT</b>		<b>(143,487)</b>	<b>(218,326)</b>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved and signed by the director on 26<sup>th</sup> Feb 2006.

J Nash  
Director



The notes on pages 8 to 13 form part of these financial statements.

# GLOBAL COLOR RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### **Fundamental accounting concept**

At 31 December 2005 the company had net liabilities of £143,487 (2004: £218,326). The financial statements have been prepared on a going concern basis as the group companies to whom the long term creditors are due have confirmed that they will not seek repayment of loans until the company has sufficient resources to meet the repayments and that they will continue to provide cash flow support for the next twelve months sufficient to enable the company to meet its liabilities as they fall due.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% on cost
Equipment	- 25% on cost

#### **Stocks**

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

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

# GLOBAL COLOR RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

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### 1. ACCOUNTING POLICIES *(continued)*

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. TURNOVER

Turnover attributable to geographical markets outside the United Kingdom is approximately 88% (2004: 54%).

### 3. OTHER OPERATING INCOME

	Year to 31 Dec 05 £	Period from 1 Sep 03 to 31 Dec 04 £
Rent receivable	<u>—</u>	<u>16,250</u>

# GLOBAL COLOR RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31ST DECEMBER 2005

#### 4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Year to 31 Dec 05 £	Period from 1 Sep 03 to 31 Dec 04 £
Depreciation of owned fixed assets	6,274	1,628
Auditor's fees	3,500	3,250
Net loss on foreign currency translation	<u>2,092</u>	<u>5,422</u>

#### 5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	Year to 31 Dec 05 £	Period from 1 Sep 03 to 31 Dec 04 £
Aggregate emoluments	54,219	72,251
Value of company pension contributions to money purchase schemes	<u>6,250</u>	<u>5,000</u>
	<u>60,469</u>	<u>77,251</u>

#### 6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>			
At 1st January 2005	10,649	16,150	26,799
Additions	<u>850</u>	<u>15,758</u>	<u>16,608</u>
At 31st December 2005	<u>11,499</u>	<u>31,908</u>	<u>43,407</u>
<b>DEPRECIATION</b>			
At 1st January 2005	8,745	11,885	20,630
Charge for the year	<u>712</u>	<u>5,562</u>	<u>6,274</u>
At 31st December 2005	<u>9,457</u>	<u>17,447</u>	<u>26,904</u>
<b>NET BOOK VALUE</b>			
At 31st December 2005	<u>2,042</u>	<u>14,461</u>	<u>16,503</u>
At 31st December 2004	<u>1,904</u>	<u>4,265</u>	<u>6,169</u>

# GLOBAL COLOR RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

### 7. DEBTORS

	2005 £	2004 £
Trade debtors	434,558	82,452
Amounts owed by group undertakings	3,557	—
Other debtors	16,870	26,084
	<u>454,985</u>	<u>108,536</u>

### 8. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	142,839	55,460
Amounts owed to group undertakings	122,381	11,570
Other taxation and social security	3,007	2,167
Other creditors	98,820	83,940
	<u>367,047</u>	<u>153,137</u>

### 9. CREDITORS: Amounts falling due after more than one year

	2005 £	2004 £
Amounts owed to group undertakings	263,191	132,453
Other creditors	—	121,744
	<u>263,191</u>	<u>254,197</u>

### 10. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 1 year	<u>5,119</u>	<u>9,200</u>

The annual commitment is in respect of lease of premises.

# GLOBAL COLOR RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

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### 11. RELATED PARTY TRANSACTIONS AND CONTROL ISSUES

Included within other creditors due within one year are amounts owing to J Nash, Director and Shareholder of the company as follows:

	2005 £	2004 £
Pension	31,250	25,000

Amounts due to group undertakings due after one year includes a loan balance of £132,453 (2004: £132,453) owing to Global Color Research AG Zug CH., the parent company.

The ultimate parent company is Silfox Holding GmbH, a company registered in Germany. Amounts due to group undertakings due after one year includes a balance of £130,738 (2004: £nil) to Silfox Holding GmbH.

The ultimate controlling party of this company and the group is H B Lohaus.

The company trades with Multicolor UK Limited, a company registered in England and Wales, which is under common control. During the year the company made purchases from Multicolor UK Limited of £13,011 (2004: £25,585). Included in other creditors within one year is a balance due to Multicolor UK Limited of £nil (2004: £121,744).

During the year the company made sales to the following:

	2005 £	2004 £
Multicolor Deutschland (formally Bosse)	7,635	5,400
Multicolor UK Limited	–	13,214
Silfox GmbH	–	11,333

The company has an amount due of £122,381 (2004: £11,570) to Silfox GmbH. The company has an amount owed of £3,557 (2004: nil) from Multicolor Deutschland GmbH, both companies are registered in Germany and are under common control.

During the year the company made purchases from the following:

Silfox GmbH	12,632	–
Creativ Duck	5,361	–
Lechte Medien	63,209	–
Typo-Team	14,925	–

# GLOBAL COLOR RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

### 12. SHARE CAPITAL

#### Authorised share capital:

	2005	2004
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	1,000	(219,326)	(218,326)
Profit for the year	—	<u>74,839</u>	<u>74,839</u>
Balance carried forward	<u>1,000</u>	<u>(144,487)</u>	<u>(143,487)</u>

### 14. PENSIONS

The company has not operated, or contributed to any pension scheme on behalf of its employees.

### 15. CONTINGENCIES

The director has confirmed that there were no contingent liabilities which should be disclosed at 31st December 2005.

### 16. CAPITAL COMMITMENTS

The director has confirmed that there were no capital commitments at 31st December 2005.