

Consolidated profit and loss account

For the year ended 31 December 2004

	Notes	2004 £m	2003 £m
Turnover	2	614.2	568.0
Cost of sales		(262.4)	(246.2)
Gross profit		351.8	321.8
Operating costs	3	(299.6)	(274.4)
Operating profit before goodwill amortisation		65.2	59.8
Goodwill amortisation		(13.0)	(12.4)
Operating profit		52.2	47.4
Loss on sale or termination of businesses		(1.2)	(0.4)
Profit on ordinary activities before interest	2	51.0	47.0
Other finance costs	6c)	(0.3)	(0.2)
Net interest payable	7	(13.8)	(10.7)
Profit on ordinary activities before taxation		36.9	36.1
Taxation (including net exceptional items of £nil (2003: £nil))	8	(12.2)	(10.1)
Profit for the financial year		24.7	26.0
Dividends – equity	9	(17.5)	(16.1)
Retained profit	23	7.2	9.9
Basic earnings per share (p)	10	20.4	21.6
Diluted earnings per share (p)	10	20.4	21.6
Dividends per ordinary equity share (p)	9	14.50	13.35
Profit on ordinary activities before exceptional items, goodwill amortisation and taxation (£m)	4	51.1	48.9
Basic earnings per share before exceptional items and goodwill amortisation (p)	10	32.1	32.1

The results in the profit and loss account above relate entirely to continuing operations. Results from acquisitions in the year are not sufficiently material to be presented on the face of the profit and loss account. There is no material difference between the reported profit and historical cost profit.

Consolidated statement of total recognised gains and losses For the year ended 31 December 2004

	Notes	2004 £m	2003 £m
Profit for the financial year		24.7	26.0
Foreign exchange adjustments		0.9	8.6
Tax attributable to foreign exchange adjustments		–	(0.5)
Actuarial loss arising on pension schemes	6d)	(3.4)	(4.5)
Tax attributable to actuarial loss		1.1	1.4
Total recognised gains and losses relating to the financial year		23.3	31.0

Note of actuarial losses recognised in the statement of total recognised gains and losses For the year ended 31 December 2004

	Notes	2004 £m	2003 £m
Actual return less expected return on pension scheme assets	6d)	1.1	2.7
Experience gains and losses arising on scheme liabilities	6d)	(0.5)	(1.0)
Changes in assumption underlying the present value of liabilities	6d)	(4.0)	(6.2)
		(3.4)	(4.5)

Reconciliation of movements in equity shareholders' funds is shown in Note 23.

Balance sheets

At 31 December 2004

	Notes	Group		Company	
		2004 £m	2003 (restated) £m	2004 £m	2003 (restated) £m
Fixed assets					
Intangible assets	11	224.1	227.0	–	–
Tangible fixed assets	12	93.7	92.4	0.1	0.1
Other investments	13	–	0.6	285.6	279.8
		317.8	320.0	285.7	279.9
Current assets					
Stocks	14	94.3	83.8	–	–
Debtors falling due within one year	15	171.5	151.9	418.9	391.1
Debtors falling due after one year	15	12.1	2.4	–	–
		183.6	154.3	418.9	391.1
Cash at bank		34.4	31.7	–	1.7
		312.3	269.8	418.9	392.8
Creditors: due within one year					
Short-term borrowing	16/18	(0.3)	(0.8)	(0.4)	–
Other creditors	16	(196.7)	(160.3)	(228.4)	(206.8)
		(197.0)	(161.1)	(228.8)	(206.8)
Net current assets					
		115.3	108.7	190.1	186.0
Total assets less current liabilities					
		433.1	428.7	475.8	465.9
Creditors: due after more than one year					
Medium and long-term borrowing	17/18	(193.0)	(194.3)	(190.2)	(193.4)
Other creditors	17	(1.1)	(1.9)	–	–
		(194.1)	(196.2)	(190.2)	(193.4)
Provisions for liabilities and charges					
	19	(29.0)	(31.1)	(1.1)	–
Net assets excluding pension liabilities					
		210.0	201.4	284.5	272.5
Pension liabilities	6a)	(14.0)	(12.0)	–	–
Net assets					
		196.0	189.4	284.5	272.5
Capital and reserves					
Called up share capital	21	6.2	6.2	6.2	6.2
Share premium account	22	227.8	227.1	227.8	227.1
Merger reserve	22	3.1	3.1	3.1	3.1
Capital redemption reserve	22	0.3	0.3	0.3	0.3
Special reserve	22	–	–	34.1	34.1
Profit and loss account	22	(41.4)	(47.3)	13.0	1.7
Equity shareholders' funds					
		196.0	189.4	284.5	272.5

The comparative balance sheet at 31 December 2003 has been restated to reflect the adoption of UITF 38, Accounting for ESOP trusts. This has had the effect of presenting the shares held by the Spectris plc Employee Benefit Trust within reserves rather than fixed asset investments. Further details regarding this are set out in Note 22. The comparative balance sheet has also been restated to present a tax debtor of £0.9m within debtors falling due within one year rather than within creditors falling due after one year.

The accounts were approved by the Board of directors on 15 March 2005 and signed on its behalf by:



S Hare Director

Consolidated cash flow statement

For the year ended 31 December 2004

	Notes	2004 £m	2003 £m
Net cash inflow from operating activities	24	64.3	64.8
Returns on investments and servicing of finance			
Interest received		0.4	0.5
Interest paid		(14.2)	(9.4)
		(13.8)	(8.9)
Taxation			
		(7.7)	(2.5)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(16.5)	(15.7)
Sale of tangible fixed assets		0.7	1.3
Sale of shares held by employee benefit trust		0.2	0.3
		(15.6)	(14.1)
Acquisitions and disposals			
Acquisition of subsidiary undertakings	20	(10.4)	(7.8)
Bank overdraft acquired with subsidiary undertakings		-	(0.4)
Purchase of intangible assets		(0.1)	-
		(10.5)	(8.2)
Equity dividends paid			
		(16.3)	(15.5)
Cash inflow before financing		0.4	15.6
Financing			
Issue of shares		0.7	0.8
Repayment of loans		(0.8)	(162.2)
New loans		2.3	140.2
		2.2	(21.2)
Increase/(decrease) in cash in the year	25	2.6	(5.6)