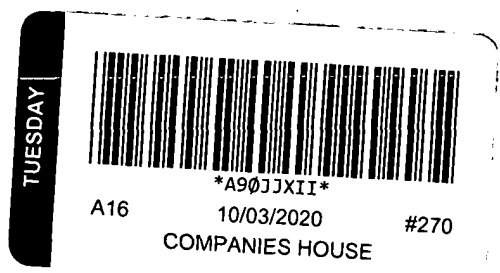


Tinius Olsen Limited

Registered number: 00998521

Annual Report

For the year ended 31 December 2019



TINIUS OLSEN LIMITED

COMPANY INFORMATION

Directors	C R Tait III M Youings M J Wheeler R Schilling
Company secretary	S Elliott
Registered number	00998521
Registered office	6 Perrywood Business Park Honeycrook Lane Salfords Surrey RH1 5DZ
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

TINIUS OLSEN LIMITED

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TINIUS OLSEN LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Introduction

The directors present their strategic report together with the audited consolidated financial statements for the year ended 31 December 2019.

Business review

In presenting this report the financial statements consolidate the results of Tinius Olsen Limited ("the Company"), its subsidiary undertaking Tinius Olsen India Pvt Limited incorporated in India and its subsidiary undertaking Tinius Olsen Testing Machine Company Shanghai Ltd incorporated in the Peoples Republic of China. The group made a profit before taxation of £564,113 (2018: £221,222) for the year ended 31 December 2019. The underlying performance of the Company remained strong with a profit before taxation of £414,680 (2018: £661,528). The company will be able to maintain positive cash balances for the foreseeable future and therefore the going concern basis of accounting has been adopted.

Principal risks and uncertainties

The directors consider that the key business risk remains competition and as such this continues to be monitored by a regular review of market share and margins. Continuing economic uncertainty in the world is a consideration and as such will be monitored as to any affect this may have on the business.

BREXIT

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. During this period, the trading relationship between the UK and the EU is expected to remain unchanged, however the terms of the future relationship between the UK and the EU from 1 January 2021 onwards are still unknown. At the date of this report it is therefore impossible to assess in detail the opportunities and threats that this future relationship could present. The directors are managing these risks by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

TINIUS OLSEN LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Financial key performance indicators

The board utilises a number of key performance indicators to enable consistent method of analysing performance. The key performance indicators, which are used by the board are as follows:

Gross profit margin performance for all customers

Gross profit margin measures the profit achieved on sales after taking account of the direct cost incurred for each customer. These trends are closely monitored and help ensure that all customer relationships are sustainable. This has fallen to 56% compared with last year (2018: 59%).

Revenue

Revenue measure the level of turnover with customers, after taking account of trade discounts. This is used to compare performance against prior year and forecasts and this years revenue has increased by 11%.

Net profit performance

The net profit performance measures the net profit achieved after taking account the total costs incurred including both direct and indirect cost i.e. profit on ordinary activities after taxation. This is used to compare the group's performance against prior year and forecasts, this year's net profit performance is 5.7% (2018: 1.9%).

Current ratio performance

The current ratio measures that the group has sufficient current assets to cover its current liability and used in the measurement of the group's liquidity. The current ratio is currently at 2.56 (2018: 2.63).

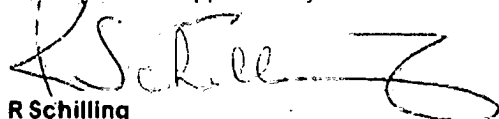
Financial instruments

Working capital requirements are met principally out of retained profits. In addition, trade debtors and trade creditors arise directly from the company's operations. The company does not enter into any hedging arrangements.

Credit risk and currency risk arise from the company's activities. The company's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made, where possible. The company's policy in respect of currency risk is to invoice primarily in sterling. These risks are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate. Debt is currently maintained at a fixed interest rate with the parent company, Tinius Olsen International Company. The directors monitor the liquidity and cash flow of the company carefully.

This report was approved by the board and signed on its behalf by:



R Schilling
Director

Date: 2/21/2020

TINIUS OLSEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the group and company during the year was that of producers of load test equipment.

Results and dividends

The profit for the year, after taxation, amounted to £496,152 (2018: £146,107).

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

The directors who served during the year and up to the date of this report were:

B N Gaskins (resigned 31 December 2019)
C R Tait III
M Youings
M J Wheeler
R Schilling (appointed 1 January 2020)

Future developments

The group continues to run an extensive research and development programme which, in the opinion of the directors, is essential for the growth of the business.

Directors' indemnities

As permitted by the Companies Act 2006, the Company has indemnified the directors and officers in respect of proceedings which may be brought by third parties and such indemnification was in place throughout the year and at the date of approval of these financial statements. Neither the Company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

Matters covered in the strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principle risks and uncertainties, financial key performance indicators and financial instruments.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

TINIUS OLSEN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

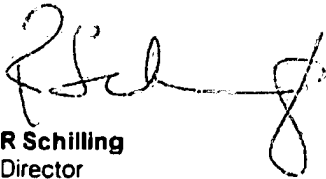
Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



R Schilling
Director

Date: 2/21/2020

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated audited consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited consolidated financial statements for each financial year. Under that law the directors have elected to prepare the audited consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these audited consolidated financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED

Opinion

We have audited the financial statements of Tinius Olsen Limited (the 'parent Company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. However the terms of the future trade and other relationships with the European Union are not yet clear, and it is therefore not currently possible to evaluate all the potential implications to the Group and Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group and Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Group and Company and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TINIUS OLSEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Mike Bailey (Senior statutory auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory auditor

2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Date: 28 FEBRUARY 2020

TINIUS OLSEN LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	8,771,982	7,873,064
Cost of sales		(3,837,750)	(3,225,426)
Gross profit		4,934,232	4,647,638
Distribution costs		(1,897,118)	(1,944,830)
Administrative expenses		(2,464,723)	(2,509,573)
Other operating income	5	41,583	94,949
Operating profit		613,974	288,184
Interest receivable and similar income	10	4,291	2,762
Interest payable and similar expenses	11	(54,152)	(69,724)
Profit before taxation		564,113	221,222
Tax on profit	12	(67,961)	(75,115)
Profit for the financial year		496,152	146,107
Currency translation differences		8,857	60,399
Total comprehensive income for the year		505,009	206,506
Profit for the year attributable to:			
Owners of the parent Company		496,152	146,107
Total comprehensive income for the year attributable to:			
Owners of the parent Company		505,009	206,506

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 39 form part of these financial statements.

TINIUS OLSEN LIMITED
REGISTERED NUMBER: 00998521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	1,850,123	2,011,885
Investment property	16	615,000	615,000
		<u>2,465,123</u>	<u>2,626,885</u>
Current assets			
Stocks	17	2,115,362	2,144,835
Debtors: amounts falling due within one year	18	2,535,624	1,545,315
Cash at bank and in hand	19	1,200,192	1,396,418
		<u>5,851,178</u>	<u>5,086,568</u>
Creditors: amounts falling due within one year	20	<u>(2,285,089)</u>	<u>(2,102,057)</u>
Net current assets		3,566,089	2,984,511
Total assets less current liabilities		6,031,212	5,611,396
Creditors: amounts falling due after more than one year	21	(604,806)	(684,746)
Provisions for liabilities			
Deferred taxation	26	(17,995)	(23,248)
		<u>(17,995)</u>	<u>(23,248)</u>
Net assets		5,408,411	4,903,402
Capital and reserves			
Called up share capital	27	18,000	18,000
Share premium account	28	558,000	558,000
Other reserves	28	32,619	32,619
Profit and loss account	28	4,799,792	4,294,783
Equity attributable to owners of the parent Company		5,408,411	4,903,402

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

R Schilling
Director

Date: 2/21/2020

The notes on pages 15 to 39 form part of these financial statements.

TINIUS OLSEN LIMITED
REGISTERED NUMBER: 00998521

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	1,585,195	1,670,103
Investments	15	1,172,277	1,172,277
Investment property	16	615,000	615,000
		<u>3,372,472</u>	<u>3,457,380</u>
Current assets			
Stocks	17	1,544,666	1,607,277
Debtors: amounts falling due within one year	18	3,355,051	2,774,154
Cash at bank and in hand	19	660,686	768,837
		<u>5,560,403</u>	<u>5,150,268</u>
Creditors: amounts falling due within one year	20	(1,173,763)	(1,112,727)
Net current assets		<u>4,386,640</u>	<u>4,037,541</u>
Total assets less current liabilities		<u>7,759,112</u>	<u>7,494,921</u>
Creditors: amounts falling due after more than one year	21	(573,508)	(650,782)
Provisions for liabilities			
Deferred taxation	26	(17,995)	(23,248)
Net assets		<u>7,167,609</u>	<u>6,820,891</u>
Capital and reserves			
Called up share capital	27	18,000	18,000
Share premium account	28	558,000	558,000
Capital reserve	28	32,619	32,619
Profit and loss account	28	6,558,990	6,212,272
Shareholders' funds		<u>7,167,609</u>	<u>6,820,891</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


R Schilling

Director

Date: 2/21/2020

The notes on pages 15 to 39 form part of these financial statements

TINIUS OLSEN LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Capital reserve £	Profit and loss account £	Total equity £
At 1 January 2018	18,000	558,000	32,619	4,088,277	4,696,896
Comprehensive income for the year					
Profit for the year	-	-	-	146,107	146,107
Currency translation differences	-	-	-	60,399	60,399
Other comprehensive income for the year	-	-	-	60,399	60,399
Total comprehensive income for the year	-	-	-	206,506	206,506
Total transactions with owners	-	-	-	-	-
At 1 January 2019	18,000	558,000	32,619	4,294,783	4,903,402
Comprehensive income for the year					
Profit for the year	-	-	-	496,152	496,152
Currency translation differences	-	-	-	8,857	8,857
Other comprehensive income for the year	-	-	-	8,857	8,857
Total comprehensive income for the year	-	-	-	505,009	505,009
Total transactions with owners	-	-	-	-	-
At 31 December 2019	18,000	558,000	32,619	4,799,792	5,408,411

The notes on pages 15 to 39 form part of these financial statements.

TINIUS OLSEN LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Capital reserve £	Profit and loss account £	Total equity £
At 1 January 2018	18,000	558,000	32,619	5,622,714	6,231,333
Comprehensive income for the year					
Profit for the year	-	-	-	589,558	589,558
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	589,558	589,558
Total transactions with owners	-	-	-	-	-
At 1 January 2019	18,000	558,000	32,619	6,212,272	6,820,891
Comprehensive income for the year					
Profit for the year	-	-	-	346,718	346,718
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	346,718	346,718
Total transactions with owners	-	-	-	-	-
At 31 December 2019	18,000	558,000	32,619	6,558,990	7,167,609

The notes on pages 15 to 39 form part of these financial statements.

TINIUS OLSEN LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	496,152	146,106
Adjustments for:		
Depreciation of tangible assets	180,864	218,273
Loss on disposal of tangible assets	-	5,245
Interest received	(4,291)	(9,714)
Taxation charge	67,961	75,115
Decrease/(increase) in stocks	29,473	(116,783)
(Increase)/decrease in debtors	(990,309)	233,715
Increase in creditors	218,301	197,538
Foreign exchange	(8,857)	142,145
Corporation tax paid	(98,785)	(62,520)
Net cash (used in)/generated from operating activities	(109,491)	829,120
Cash flows from investing activities		
Purchase of tangible fixed assets	(19,102)	(177,912)
Interest received	4,291	9,714
Net cash used in investing activities	(14,811)	(168,198)
Cash flows from financing activities		
Capital element of lease repaid	(3,851)	(4,114)
Repayment of intercompany loan and finance leases	(87,461)	(72,562)
Net cash used in financing activities	(91,312)	(76,676)
Net (decrease)/increase in cash and cash equivalents	(215,614)	584,246
Cash and cash equivalents at beginning of year	1,396,418	799,219
Foreign exchange gains and losses	19,388	12,953
Cash and cash equivalents at the end of year	1,200,192	1,396,418
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,200,192	1,396,418
	1,200,192	1,396,418

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Tinius Olsen Limited (the "Company") is a private company limited by shares, and incorporated in England and Wales. The address of its registered office is 6 Perrywood Business Park, Honeycrock Lane, Salfords, Redhill, Surrey, RH1 5DZ.

The principal activity of the Group and Company during the year was that of producers of load test equipment.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the partnership operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The year end of Tinius Olsen-India Private Limited is 31 March. The consolidated financial statements incorporates Tinius Olsen-India Private Limited results as at 31 December 2019.

2.3 Going concern

Having considered the basis of preparation and the underlying assumptions of the Company's forecast for the twelve months following the approval of these financial statements, the directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due during that period of time. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax or local taxes on sales and is recognised when the risks and rewards of ownership has passed to the customer. These criteria are considered to be met when the goods are dispatched.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Research and development

All research and development costs are written off as incurred.

2.9 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- over 50 years
Plant and machinery	- over 7 to 10 years
Motor vehicles	- over 3 to 4 years
Fixtures and fittings	- over 3 to 7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.15 Investment property

Investment property is carried at fair value determined annually by directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

(i) Determining useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets.

When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

(ii) Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

(iii) Valuation of investment properties

The group obtain regular third party valuations, from qualified valuers. Where necessary, these are updated based on lease terms, market conditions and sales prices based upon known market transactions for similar properties as a basis for determining the directors' estimation of the fair value of the investment properties. However, the valuation of the group's investment property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

(iv) Stock provision

Stock is reviewed annually with reference to current and new products along with recent sales history of the related products. Stock held for more than 3 years is provided for.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Judgements in applying accounting policies (continued)

(v) Stock valuation

The Directors have considered whether the net realisable value of inventory was lower than the carrying value. Slow-moving, excess and obsolete inventory are reviewed and provided for as necessary. The Directors, having reviewed the run off of inventory subsequent to the year end and the prices achieved have concluded that its net realisable value was not materially lower than the net carrying value at year end.

4. Turnover

An analysis of turnover by geographical location is as follows:

	2019 £	2018 £
United Kingdom	1,223,516	1,208,057
Rest of Europe	1,675,687	1,456,227
Rest of world	5,872,779	5,208,780
	<u>8,771,982</u>	<u>7,873,064</u>

All turnover arose from the same class of business.

5. Other operating income

	2019 £	2018 £
Other operating income	41,583	15,012
Rental income	-	79,937
	<u>41,583</u>	<u>94,949</u>

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Operating profit

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

	2019 £	2018 £
Research & development charged as an expense	65,239	65,083
Depreciation	180,864	218,273
Operating lease rentals	34,138	34,433
Foreign exchange differences	41,398	(142,145)
Inventory recognised as an expense	1,998,437	1,946,708
	<u>1,998,437</u>	<u>1,946,708</u>

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	48,300	41,000
	<u>48,300</u>	<u>41,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	8,180	7,825
	<u>8,180</u>	<u>7,825</u>

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	<i>Group 2018 £</i>
Wages and salaries	2,287,592	<i>2,337,184</i>
Social security costs	229,709	<i>255,117</i>
Cost of defined contribution scheme	204,239	<i>194,376</i>
	2,721,540	<i>2,786,677</i>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	<i>2018 No.</i>
Office and management	16	<i>14</i>
Manufacturing	22	<i>26</i>
Sales and design	29	<i>29</i>
	67	<i>69</i>

The company currently contributes to a group personal pension plan, which is a defined contribution scheme. The assets of the plan are held separately from those of the company in an independently administered fund. The pension cost charge also includes contributions payable by the company to this fund. Included within accruals are outstanding contributions amounting to £359 (2018: £nil).

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	348,118	335,675
Company contributions to defined contribution pension schemes	55,699	58,142
Benefits in kind	29,879	29,964
	<u>433,696</u>	<u>423,781</u>

There were three directors in the company's defined contribution pension scheme during the year (2018: 3).

Emoluments of the highest paid director was £149,189 (2018: £145,550). Company pension contributions of £23,870 (2018: £25,181) were made to a defined contribution scheme on his behalf. The director received benefits in kind of £25,446 (2018: £25,004).

Key management personnel is considered to be the board of directors and total compensation paid to key management personnel is equal to directors' remuneration.

10. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	4,291	2,762
	<u>4,291</u>	<u>2,762</u>

11. Interest payable and similar expenses

	2019 £	2018 £
Interest payable on intercompany balances	50,301	65,610
Lease interest	3,851	4,114
	<u>54,152</u>	<u>69,724</u>

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Taxation

	2019 £	2018 £
Corporation tax		
UK Corporation tax on profits for the year	98,072	128,985
Adjustments in respect of previous periods	(24,858)	(55,913)
	<u>73,214</u>	<u>73,072</u>
Double taxation relief	(883)	(3,166)
	<u>72,331</u>	<u>69,906</u>
Foreign tax		
Foreign tax on income for the year	883	3,166
	<u>883</u>	<u>3,166</u>
Total current tax	<u>73,214</u>	<u>73,072</u>
Deferred tax		
Movement in the period	(5,849)	(4,465)
Adjustment in respect of previous periods	596	6,508
	<u>(5,253)</u>	<u>2,043</u>
Taxation on profit	<u>67,961</u>	<u>75,115</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit on activities before tax	<u>564,113</u>	<u>221,221</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	107,181	42,032
Effects of:		
Fixed asset differences	6,725	-
Expenses not deductible for tax purposes	3,049	6,724
Changes in tax rates	688	525
Chargeable losses	-	(11,056)
Adjustments to tax charge in respect of previous periods	(24,858)	(55,913)
Adjustments to tax charge in respect of previous periods - deferred tax	596	6,508
Unrecognised deferred tax	(25,420)	86,295
Total tax charge for the year	<u><u>67,961</u></u>	<u><u>75,115</u></u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £346,718 (2018: £589,558).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2019	2,111,418	718,724	157,284	1,072,934	4,060,360
Additions	-	-	1,416	17,686	19,102
Disposals	(2,235)	-	-	-	(2,235)
At 31 December 2019	<u>2,109,183</u>	<u>718,724</u>	<u>158,700</u>	<u>1,090,620</u>	<u>4,077,227</u>
Depreciation					
At 1 January 2019	711,267	528,309	71,570	737,329	2,048,475
Charge for the year	37,531	28,452	25,424	89,457	180,864
Disposals	(2,235)	-	-	-	(2,235)
At 31 December 2019	<u>746,563</u>	<u>556,761</u>	<u>96,994</u>	<u>826,786</u>	<u>2,227,104</u>
Net book value					
At 31 December 2019	<u>1,362,620</u>	<u>161,963</u>	<u>61,706</u>	<u>263,834</u>	<u>1,850,123</u>
At 31 December 2018	<u>1,400,151</u>	<u>190,416</u>	<u>85,714</u>	<u>335,604</u>	<u>2,011,885</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold property	1,362,620	1,400,151
	<u>1,362,620</u>	<u>1,400,151</u>

Finance leases

The net book value of Motor Vehicles above includes an amount of £35,943 (2018: £50,873) in respect of assets held under finance leases. The related depreciation charge on these assets was £14,930 (2018: £14,667).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2019	2,096,471	713,448	91,770	617,928	3,519,617
Additions	-	-	1,416	17,686	19,102
At 31 December 2019	<u>2,096,471</u>	<u>713,448</u>	<u>93,186</u>	<u>635,614</u>	<u>3,538,719</u>
Depreciation					
At 1 January 2019	711,267	525,394	56,929	555,924	1,849,514
Charge for the year	35,296	28,011	10,494	30,209	104,010
At 31 December 2019	<u>746,563</u>	<u>553,405</u>	<u>67,423</u>	<u>586,133</u>	<u>1,953,524</u>
Net book value					
At 31 December 2019	<u>1,349,908</u>	<u>160,043</u>	<u>25,763</u>	<u>49,481</u>	<u>1,585,195</u>
At 31 December 2018	<u>1,385,204</u>	<u>188,055</u>	<u>34,841</u>	<u>62,003</u>	<u>1,670,103</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold property	<u>1,349,908</u>	<u>1,385,204</u>
	<u>1,349,908</u>	<u>1,385,204</u>

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost	
At 1 January 2019	1,172,277
At 31 December 2019	<u>1,172,277</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Tinius Olsen India Private Limited	Tinius Olsen India P Ltd, Naimex House, A-8, Mohan Co-operative Industrial Estate, New Delhi 110044, India	Producers of load test equipment	ordinary	100%
Tinius Olsen Testing Machine Company Shanghai Limited	Tinius Olsen Testing Machine Company Shanghai Ltd, Building No. 2, No. 123 Lane 1165, Jindu Road, Minhang District, Shanghai, China	Producers of load test equipment	ordinary	100%

Tinius Olsen India Private Limited accounting year end is the 31 March. This is common with the majority of Indian companies.

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Tinius Olsen India Private Limited	(35,239)	328,557
Tinius Olsen Testing Machine Company Shanghai Limited	(399,367)	(222,109)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 January 2019	615,000
At 31 December 2019	615,000

The 2019 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	673,187	673,187
	<u>673,187</u>	<u>673,187</u>

17. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods and goods for resale	465,444	803,729	248,395	695,074
Raw materials and consumables	488,908	433,016	61,209	60,574
Work in progress (goods to be sold)	1,161,010	908,090	1,235,062	851,629
	<u>2,115,362</u>	<u>2,144,835</u>	<u>1,544,666</u>	<u>1,607,277</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

18. Debtors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,927,189	938,035	1,314,617	710,855
Amounts owed by group undertakings	204,612	281,498	1,871,733	1,927,045
Other debtors	282,842	242,678	75,387	69,425
Prepayments and accrued income	120,981	83,104	93,314	66,829
	<u>2,535,624</u>	<u>1,545,315</u>	<u>3,355,051</u>	<u>2,774,154</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

19. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>1,200,192</u>	<u>1,396,418</u>	<u>660,686</u>	<u>768,837</u>

20. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	1,234,095	1,131,447	255,690	337,955
Amounts owed to group undertakings	188,682	190,298	267,048	212,763
Corporation tax	97,855	125,603	97,855	123,080
Other taxation and social security	59,804	60,516	59,021	60,152
Obligations under finance lease and hire purchase contracts	8,007	15,528	-	-
Other creditors	210,175	223,987	167,289	121,230
Accruals and deferred income	486,471	354,678	326,860	257,547
	<u>2,285,089</u>	<u>2,102,057</u>	<u>1,173,763</u>	<u>1,112,727</u>

Included within other creditors is a leave provision of £60,733 (2018: £55,669). Refer to note 24.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Creditors: Amounts falling due after more than one year

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Amounts due to parent undertakings	573,508	650,782	573,508	650,782
Obligation under finance lease	31,298	33,964	-	-
	<u>604,806</u>	<u>684,746</u>	<u>573,508</u>	<u>650,782</u>

Refer to note 23 for lease terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

22. Loans

Group and company

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Amounts due to parent undertakings	77,274	73,148	77,274	73,148
	<u>77,274</u>	<u>73,148</u>	<u>77,274</u>	<u>73,148</u>
Amounts falling due 1-2 years				
Amounts due to parent undertakings	81,633	73,147	81,633	73,147
	<u>81,633</u>	<u>73,147</u>	<u>81,633</u>	<u>73,147</u>
Amounts falling due 2-5 years				
Amounts due to parent undertakings	375,250	245,145	375,250	245,145
	<u>375,250</u>	<u>245,145</u>	<u>375,250</u>	<u>245,145</u>
Amounts falling due after more than 5 years				
Amounts due to parent undertakings	116,625	332,490	116,625	332,490
	<u>116,625</u>	<u>332,490</u>	<u>116,625</u>	<u>332,490</u>
	<u><u>650,782</u></u>	<u><u>723,930</u></u>	<u><u>650,782</u></u>	<u><u>723,930</u></u>

Amounts due to parent undertaking comprise one loan of £650,782 (2018: £723,930).

The long-term loan attracts interest at 5.5% and is payable by equal monthly installments commencing 1 January 2007. The redemption date is January 2027.

The long-term loans are secured against, with a right of set off against, any and all present, future and after acquired funds, monies, balances, stocks, bonds, notes, deposit accounts, and other personal property of any nature whatsoever in which the company has any interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Finance leases

Group minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	<i>Group 2018 £</i>
Within one year	8,007	15,528
Between 1-5 years	31,298	33,964
	39,305	49,492

24. Provisions

	2019 £
Balance as at 1 January 2018	55,669
Amount charged through statement of comprehensive income	5,064
Closing balance	60,733

The balance is included within other creditors at year end.

Provisions relates to leave provision for employees. Leave provision is for leave encashment for leave given to the employees and gratuity which is a long term employee benefit given to employees as per gratuity act in India. Gratuity is paid to the employees after they leave the company if they served the company for more than 5 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

25. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Cash at bank in hand	1,200,192	1,396,418	660,686	768,837
Financial assets that are debt instruments measured at amortised cost	2,414,297	1,459,718	3,261,737	2,707,325
	<u>3,614,489</u>	<u>2,856,136</u>	<u>3,922,423</u>	<u>3,476,162</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(2,245,765)	(2,537,595)	(1,263,535)	(1,580,275)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group companies and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, other creditors and finance leases.

TINIUS OLSEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(23,248)	(21,205)
Charged to profit or loss	5,253	(2,043)
At end of year	(17,995)	(23,248)

Company

	2019 £	2018 £
At beginning of year	(23,248)	(21,205)
Charged to profit or loss	5,253	(2,043)
At end of year	(17,995)	(23,248)

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(27,948)	(33,736)	(27,948)	(33,736)
Short term timing differences	61	597	61	597
Capital gains	9,892	9,891	9,892	9,891
	(17,995)	(23,248)	(17,995)	(23,248)

Accelerated capital allowances are expected to be realised within the next 5 years.

27. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
18,000 (2018: 18,000) ordinary shares of £1.00 each	18,000	18,000

Ordinary shares carry voting rights, but no right to fixed income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

28. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve represents the cumulative profits and losses of the company.

Capital reserve

This reserve represents the revaluation of freehold property.

29. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	27,187	15,838
Later than 1 year and not later than 5 years	21,785	5,500
	<u>48,972</u>	<u>21,338</u>

30. Other commitments

At the year-end Tinius Olsen India PVT Ltd has given bank guarantees to VAT authority and Nodia Special Economic Zone against fixed deposits amounts of £11,250 and £265 (2018: £12,178 and £281) respectively.

31. Related party transactions

At 31 December 2019 the company was a wholly owned subsidiary of Tinius Olsen Limited, and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

32. Post balance sheet events

There have been no significant events affecting the Company and Group since the year end.

33. Controlling party

At 31 December 2019, the company's ultimate parent company was Tinius Olsen International Company, a company incorporated in the United States of America, which is the parent of both the smallest and largest groups of which the company is included in the consolidated accounts.