

# Tinius Olsen Limited

Registered number: 00998521

## Annual Report

For the year ended 31 December 2020



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**TINIUS OLSEN LIMITED**

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**COMPANY INFORMATION**

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

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**TINIUS OLSEN LIMITED**

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## TINIUS OLSEN LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Introduction

The directors present their strategic report together with the audited consolidated financial statements for the year ended 31 December 2020.

#### 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 £330,832 (2019: profit of £564,113) for the year ended 31 December 2020. The underlying performance of the Company remained strong with a profit before taxation of £429,835 (2019: £414,680). 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 ended on 31 December 2020. The current agreement in place with the EU guarantees free trade in terms of border duties and this is very much welcomed for day to day goods and services. There is a change to the paperwork requirements for 2021 EU trade, but once this has become the new "normal" it is not expected to cause any undue pressure on Tinius Olsen sales/service or efficiency of operation. Brexit itself has provided the UK with an independent opportunity to create its own trade agreements and at the time of writing this report, the single biggest benefit has been the ability of the UK to roll out COVID vaccinations faster and wider, which should allow the UK economy to release the pressure from COVID restrictions earlier than some other EU countries.

#### COVID-19

The full impact of the Coronavirus outbreak is yet finalised and at the date of this report it is not possible to evaluate all potential implications for the Group and Company's trade, customers, and suppliers. The directors consider that whilst there has been a slow down in trade and planned activities there has also been a reduction in costs due to a lower than forecast travel and exhibition expenditure. The directors are actively analysing possible consequences and increasing online marketing to mitigate the reduction in face to-face exposure. The principal objectives are to protect the health and safety of personnel in the performance of their duties, ensure the continuity of operations, and to fully cooperate with public authorities on all matters within their scope.

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**TINIUS OLSEN LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 increased to 65% compared with last year (2019: 56%).

*Revenue*

Revenue measures the level of turnover with customers, after taking account trade discounts. In a normal trading year, this is used to compare performance against prior years and forecasts. In 2020, as a direct result of the COVID-19 pandemic, global trading volumes as a whole were dramatically affected, none more so than capital expenditure items. The end result of the reduction in global trade and the restriction to international travel, has meant a decrease in revenue by 25.4% compared to 2019. This has been an exceptional event and therefore should be excluded from normal year on year comparison.

*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 (3.8%) (2019: 5.7%).

*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 3.20 (2019: 2.56).

**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.

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**TINIUS OLSEN LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

  
M Youings  
Director

Date: 11 JUNE 2021

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**TINIUS OLSEN LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the audited consolidated financial statements for the year ended 31 December 2020.

**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 £239,070 (2019: £496,152).

The directors do not recommend the payment of a dividend (2019: £nil).

**Directors**

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

C R Tait III  
M Youngs  
M J Wheeler  
R Schilling (appointed 1 January 2020, resigned 12 February 2021)

**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.

**Post balance sheet events**

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

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**TINIUS OLSEN LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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:



**M Youngs**  
Director

Date: 11 JUNE 2021

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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.

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**TINIUS OLSEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED**

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**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 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, the company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, 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 parent Company's affairs as at 31 December 2020 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 Group and parent 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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.

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**TINIUS OLSEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED**

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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 course of 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 group and the parent company and their 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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 Group's and parent 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 either the directors intend to liquidate the Group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent company, and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the group and the parent Company which were contrary to applicable laws and regulations, including fraud.

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**TINIUS OLSEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED**

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

*There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.*

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](http://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  
6 Sutton Plaza  
2nd Floor  
Sutton Court Road  
Sutton  
Surrey  
SM1 4FS

Date: Jun 16, 2021

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**TINIUS OLSEN LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 £
Turnover	4	6,546,219	8,771,982
Cost of sales		(2,322,519)	(3,837,750)
<b>Gross profit</b>		<b>4,223,700</b>	<b>4,934,232</b>
Distribution costs		(1,526,179)	(1,897,117)
Administrative expenses		(2,474,525)	(2,464,724)
Other operating income	5	149,140	41,583
<b>Operating profit</b>	6	<b>372,136</b>	<b>613,974</b>
Interest receivable and similar income	10	2,896	4,291
Interest payable and similar expenses	11	(44,200)	(54,152)
<b>Profit before taxation</b>		<b>330,832</b>	<b>564,113</b>
Tax on profit	12	(91,762)	(67,961)
<b>Profit for the financial year</b>		<b>239,070</b>	<b>496,152</b>
Currency translation differences		(11,588)	8,857
<b>Total comprehensive income for the year</b>		<b>227,482</b>	<b>505,009</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		239,070	496,152
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		227,482	505,009

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

The notes on pages 20 to 46 form part of these financial statements.

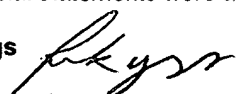
**TINIUS OLSEN LIMITED**  
**REGISTERED NUMBER: 00998521**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	8,000	-
Tangible assets	14	1,680,596	1,850,123
Investment property	16	460,000	615,000
		<u>2,148,596</u>	<u>2,465,123</u>
<b>Current assets</b>			
Stocks	17	2,423,289	2,115,362
Debtors: amounts falling due within one year	18	1,695,812	2,535,624
Cash at bank and in hand	19	3,167,888	1,200,192
		<u>7,286,989</u>	<u>5,851,178</u>
Creditors: amounts falling due within one year	20	(2,292,094)	(2,285,089)
<b>Net current assets</b>		<u>4,994,895</u>	<u>3,566,089</u>
<b>Total assets less current liabilities</b>		<u>7,143,491</u>	<u>6,031,212</u>
Creditors: amounts falling due after more than one year	21	(1,496,560)	(604,806)
<b>Provisions for liabilities</b>			
Deferred taxation	26	(11,038)	(17,995)
		<u>(11,038)</u>	<u>(17,995)</u>
<b>Net assets</b>		<u>5,635,893</u>	<u>5,408,411</u>
<b>Capital and reserves</b>			
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	5,027,274	4,799,792
<b>Total equity</b>		<u>5,635,893</u>	<u>5,408,411</u>

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

M Youngs  
 Director  
 Date:

  
 11 JUNE 2021

The notes on pages 20 to 46 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	8,000	-
Tangible assets	14	1,485,576	1,585,195
Investments	15	1,172,277	1,172,277
Investment property	16	460,000	615,000
		<u>3,125,853</u>	<u>3,372,472</u>
<b>Current assets</b>			
Stocks	17	1,759,590	1,544,666
Debtors: amounts falling due within one year	18	3,147,829	3,355,051
Cash at bank and in hand	19	2,068,047	660,686
		<u>6,975,466</u>	<u>5,560,403</u>
Creditors: amounts falling due within one year	20	(1,101,501)	(1,173,763)
<b>Net current assets</b>		<u>5,873,965</u>	<u>4,386,640</u>
<b>Total assets less current liabilities</b>		<u>8,999,818</u>	<u>7,759,112</u>
Creditors: amounts falling due after more than one year	21	(1,475,208)	(573,508)
<b>Provisions for liabilities</b>			
Deferred taxation	26	(11,038)	(17,995)
<b>Net assets</b>		<u><u>7,513,572</u></u>	<u><u>7,167,609</u></u>
<b>Capital and reserves</b>			
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	6,904,953	6,558,990
<b>Total equity</b>		<u><u>7,513,572</u></u>	<u><u>7,167,609</u></u>

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**TINIUS OLSEN LIMITED**  
**REGISTERED NUMBER: 00998521**

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**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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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 £345,963 (2019: £346,718).

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



**M Youings**  
Director

Date: *11 JUNE 2021*

The notes on pages 20 to 46 form part of these financial statements.

TINIUS OLSEN LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>18,000</b>	<b>558,000</b>	<b>32,619</b>	<b>4,294,783</b>	<b>4,903,402</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	496,152	496,152
Currency translation differences	-	-	-	8,857	8,857
<b>Other comprehensive income for the year</b>	-	-	-	8,857	8,857
<b>Total comprehensive income for the year</b>	-	-	-	505,009	505,009
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 1 January 2020</b>	<b>18,000</b>	<b>558,000</b>	<b>32,619</b>	<b>4,799,792</b>	<b>5,408,411</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	239,070	239,070
Currency translation differences	-	-	-	(11,588)	(11,588)
<b>Other comprehensive income for the year</b>	-	-	-	(11,588)	(11,588)
<b>Total comprehensive income for the year</b>	-	-	-	227,482	227,482
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 December 2020</b>	<b>18,000</b>	<b>558,000</b>	<b>32,619</b>	<b>5,027,274</b>	<b>5,635,893</b>

The notes on pages 20 to 46 form part of these financial statements.

**TINIUS OLSEN LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>18,000</b>	<b>558,000</b>	<b>32,619</b>	<b>6,212,272</b>	<b>6,820,891</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	346,718	346,718
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	346,718	346,718
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 1 January 2020</b>	<b>18,000</b>	<b>558,000</b>	<b>32,619</b>	<b>6,558,990</b>	<b>7,167,609</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	345,963	345,963
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	345,963	345,963
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 December 2020</b>	<b>18,000</b>	<b>558,000</b>	<b>32,619</b>	<b>6,904,953</b>	<b>7,513,572</b>

The notes on pages 20 to 46 form part of these financial statements.

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**TINIUS OLSEN LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	239,070	496,152
<b>Adjustments for:</b>		
Amortisation of intangible assets	3,996	-
Depreciation of tangible assets	176,863	180,864
Impairments of investment property	155,000	-
Interest paid	44,200	-
Interest received	(2,812)	(4,291)
Taxation charge	91,762	67,961
(Increase)/decrease in stocks	(307,927)	29,473
Decrease/(increase) in debtors	840,454	(990,309)
(Decrease)/increase in creditors	(94,896)	218,301
Foreign exchange	11,588	(8,857)
Corporation tax paid	(95,419)	(98,785)
<b>Net cash generated/(used) from operating activities</b>	<b>1,061,879</b>	<b>(109,491)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(11,996)	-
Purchase of tangible fixed assets	(7,336)	(19,102)
Interest received	2,812	4,291
<b>Net cash outflows from investing activities</b>	<b>(16,520)</b>	<b>(14,811)</b>
<b>Cash flows from financing activities</b>		
New secured loans	1,000,000	-
Capital element of lease repaid	(3,054)	(3,851)
Repayment of intercompany loan and finance leases	(86,919)	(87,461)
<b>Net cash generated in/(used in) financing activities</b>	<b>910,027</b>	<b>(91,312)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,955,386</b>	<b>(215,614)</b>

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TINIUS OLSEN LIMITED

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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	2020 £	2019 £
Cash and cash equivalents at beginning of year	1,200,192	1,396,418
Foreign exchange gains and losses	12,310	19,388
<b>Cash and cash equivalents at the end of year</b>	<b>3,167,888</b>	<b>1,200,192</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,167,888	1,200,192
	<b>3,167,888</b>	<b>1,200,192</b>

The notes on pages 20 to 46 form part of these financial statements.

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TINIUS OLSEN LIMITED

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,200,192	1,967,696	3,167,888
Debt due after 1 year	(573,508)	(835,034)	(1,408,542)
Debt due within 1 year	-	(83,333)	(83,333)
Finance leases	(39,305)	9,645	(29,660)
	<u>587,379</u>	<u>1,058,974</u>	<u>1,646,353</u>

The notes on pages 20 to 46 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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, Honeycrook 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 2020.

**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 2020**

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**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 profit or loss 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 profit or loss within 'other operating income'.

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 profit or loss 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 2020**

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**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 profit or loss 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 profit or loss using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to profit or loss 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 profit or loss 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 profit or loss 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.

**2.13 Government grants**

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the company used the furlough scheme. The income from the furlough scheme has been recognised within 'Other operating income'. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

**2.15 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. It is company policy to depreciate software over three years, using the straight line method.

**2.16 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 2020**

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**2. Accounting policies (continued)**

**2.16 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 profit or loss.

**2.17 Investment property**

Investment property is carried at fair value determined annually by external valuers 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 profit or loss.

**2.18 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.19 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.

**2.20 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.21 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.

**2.22 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.

**2.23 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 profit or loss 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 2020

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2. Accounting policies (continued)

2.24 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.

2.25 Government loans

The Company has taken advantage of the governments' Coronavirus Business Interruption Loan Scheme (CBILS). This has been accounted for as a basic financial instrument under the amortised cost method using an effective interest rate as permitted by FRS 102. The loan secured by the Company is debited to cash and credited to other loans within the Statement of Financial Position. Any finance charge occurred is presented in the Statement of Comprehensive Income within 'interest payable and similar expenses'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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.

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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:

	2020 £	2019 £
United Kingdom	1,303,634	1,233,516
Rest of Europe	1,278,165	1,675,687
Rest of world	3,964,420	5,872,779
	<u>6,546,219</u>	<u>8,781,982</u>

All turnover arose from the same class of business.

**5. Other operating income**

	2020 £	2019 £
Other operating income	102,021	41,583
Coronavirus Job Retention Scheme grant	47,119	-
	<u>149,140</u>	<u>41,583</u>

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Operating profit**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Research & development charged as an expense	<b>72,173</b>	<b>65,239</b>
Depreciation of tangible fixed assets	<b>176,863</b>	<b>180,864</b>
Amortisation of intangible assets	<b>3,996</b>	<b>-</b>
Operating lease rentals	<b>28,716</b>	<b>34,138</b>
(Gain)/loss on foreign exchange differences	<b>(12,971)</b>	<b>41,398</b>
Inventory recognised as an expense	<b>2,381,233</b>	<b>1,998,437</b>
	<u><u>2,381,233</u></u>	<u><u>1,998,437</u></u>

**7. Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<b>40,000</b>	<b>38,000</b>
	<u><u>40,000</u></u>	<u><u>38,000</u></u>
<b>Fees payable to the Group's auditor in respect of:</b>		
All other services	<b>8,500</b>	<b>8,180</b>
	<u><u>8,500</u></u>	<u><u>8,180</u></u>

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TINIUS OLSEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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8. Employees

Staff costs were as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Wages and salaries	2,255,774	2,287,592	1,884,046	1,898,177
Social security costs	217,879	229,709	215,754	227,611
Cost of defined contribution scheme	156,026	204,239	156,026	181,183
	<u>2,629,679</u>	<u>2,721,540</u>	<u>2,255,826</u>	<u>2,306,971</u>

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

	<b>2020 No.</b>	<b>2019 No.</b>
Office and management	21	16
Manufacturing	21	22
Sales and design	25	29
	<u>67</u>	<u>67</u>

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. Then pension cost charge also includes contributions payable by the company to this fund. Included within accruals are outstanding contributions amounting to £359 (2019: £359).

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	282,414	348,118
Company contributions to defined contribution pension schemes	45,813	55,699
Benefits in kind	30,845	29,879
	<u>359,072</u>	<u>433,696</u>

There were two directors in the company's defined contribution pension scheme during the year (2019: 3).

Emoluments of the highest paid director was £152,731 (2019: £149,189). Company pension contributions of £25,062 (2019: £23,870) were made to a defined contribution scheme on his behalf. The director received benefits in kind of £26,412 (2019: £25,446).

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**

	2020 £	2019 £
Other interest receivable	2,896	4,291
	<u>2,896</u>	<u>4,291</u>

**11. Interest payable and similar expenses**

	2020 £	2019 £
Interest payable on bank loan	6,000	-
Interest payable on intercompany balances	35,146	50,301
Lease interest	3,054	3,851
	<u>44,200</u>	<u>54,152</u>

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
UK Corporation tax on profits for the year	123,338	98,072
Adjustments in respect of previous periods	(24,619)	(24,858)
	<u>98,719</u>	<u>73,214</u>
Double taxation relief	(833)	(883)
	<u>97,886</u>	<u>72,331</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	833	883
	<u>833</u>	<u>883</u>
<b>Total current tax</b>	<u>98,719</u>	<u>73,214</u>
<b>Deferred tax</b>		
Movement in the period	(9,093)	(5,849)
Adjustment in respect of previous periods	17	596
Effect of tax rate change on opening balance	2,119	-
	<u>(6,957)</u>	<u>(5,253)</u>
<b>Taxation on profit</b>	<u>91,762</u>	<u>67,961</u>

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on activities before tax	<u>330,832</u>	<u>564,113</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	62,858	107,181
<b>Effects of:</b>		
Fixed asset differences	6,726	6,725
Expenses not deductible for tax purposes	69,707	3,049
Changes in tax rates	2,119	688
Adjustments to tax charge in respect of previous periods	(24,619)	(24,858)
Adjustments to tax charge in respect of previous periods - deferred tax	17	596
Unrecognised deferred tax	-	(25,420)
Additional deduction for R&D expenditure	(25,046)	-
<b>Total tax charge for the year</b>	<u>91,762</u>	<u>67,961</u>

**Factors that may affect future tax charges**

There are no significant changes to the UK tax rate anticipated in the foreseeable future.

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TINIUS OLSEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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13. Intangible assets

Company

	Computer software £
<b>Cost</b>	
Additions	11,996
At 31 December 2020	<u>11,996</u>
<b>Amortisation</b>	
Charge for the year on owned assets	3,996
At 31 December 2020	<u>3,996</u>
<b>Net book value</b>	
At 31 December 2020	<u>8,000</u>
At 31 December 2019	<u>-</u>

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TINIUS OLSEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 January 2020	2,109,183	718,724	158,700	1,090,620	4,077,227
Additions	-	-	5,363	1,973	7,336
At 31 December 2020	<u>2,109,183</u>	<u>718,724</u>	<u>164,063</u>	<u>1,092,593</u>	<u>4,084,563</u>
<b>Depreciation</b>					
At 1 January 2020	746,563	556,761	96,994	826,786	2,227,104
Charge for the year	44,889	28,373	19,964	83,637	176,863
At 31 December 2020	<u>791,452</u>	<u>585,134</u>	<u>116,958</u>	<u>910,423</u>	<u>2,403,967</u>
<b>Net book value</b>					
At 31 December 2020	<u>1,317,731</u>	<u>133,590</u>	<u>47,105</u>	<u>182,170</u>	<u>1,680,596</u>
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>

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

	2020 £	2019 £
Freehold property	1,317,731	1,362,620
	<u>1,317,731</u>	<u>1,362,620</u>

**Finance leases**

The net book value of Motor Vehicles above includes an amount of £13,984 (2019: £35,943) in respect of assets held under finance leases. The related depreciation charge on these assets was £7,078 (2019: £14,930).

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**TINIUS OLSEN LIMITED**

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**14. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 January 2020	2,096,471	713,448	93,186	635,614	3,538,719
Additions	-	-	5,363	1,973	7,336
At 31 December 2020	<u>2,096,471</u>	<u>713,448</u>	<u>98,549</u>	<u>637,587</u>	<u>3,546,055</u>
<b>Depreciation</b>					
At 1 January 2020	746,563	553,405	67,423	586,133	1,953,524
Charge for the year	35,396	28,014	9,188	34,357	106,955
At 31 December 2020	<u>781,959</u>	<u>581,419</u>	<u>76,611</u>	<u>620,490</u>	<u>2,060,479</u>
<b>Net book value</b>					
At 31 December 2020	<u>1,314,512</u>	<u>132,029</u>	<u>21,938</u>	<u>17,097</u>	<u>1,485,576</u>
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>

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

	2020 £	2019 £
Freehold property	<u>1,314,512</u>	<u>1,349,908</u>
	<u>1,314,512</u>	<u>1,349,908</u>

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**TINIUS OLSEN LIMITED**

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**15. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2020	1,172,277
At 31 December 2020	<u>1,172,277</u>
<b>Net book value</b>	
At 31 December 2020	<u>1,172,277</u>
At 31 December 2019	<u>1,172,277</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
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.

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**15. Fixed asset investments (continued)****Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
Tinius Olsen India Private Limited	(19,869)	55,594
Tinius Olsen Testing Machine Company Shanghai Limited	(588,194)	(174,907)

**16. Investment property****Group and Company**

<b>Valuation</b>	<b>Freehold investment property £</b>
At 1 January 2020	615,000
Surplus on revaluation	(155,000)
<b>At 31 December 2020</b>	<b>460,000</b>

The 2020 valuations were made by Vail Williams LLP, 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:

	<b>2020 £</b>	<b>2019 £</b>
Historic cost	673,187	673,187
	<b>673,187</b>	<b>673,187</b>

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**17. Stocks**

	<b>Group 2020</b>	<i>Group 2019</i>	<b>Company 2020</b>	<i>Company 2019</i>
	£	£	£	£
Finished goods and goods for resale	537,417	465,444	399,416	248,395
Raw materials and consumables	608,496	488,908	82,364	61,209
Work in progress (goods to be sold)	1,277,376	1,161,010	1,277,810	1,235,062
	<u>2,423,289</u>	<u>2,115,362</u>	<u>1,759,590</u>	<u>1,544,666</u>

During the year, a stock provision of £195,599 (2019: £439,103) was recognised.

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

**18. Debtors: Amounts falling due within one year**

	<b>Group 2020</b>	<i>Group 2019</i>	<b>Company 2020</b>	<i>Company 2019</i>
	£	£	£	£
Trade debtors	1,064,348	1,927,189	658,981	1,314,617
Amounts owed by group undertakings	253,408	204,612	2,325,351	1,871,733
Other debtors	247,817	282,842	66,725	75,387
Prepayments and accrued income	130,239	120,981	96,772	93,314
	<u>1,695,812</u>	<u>2,535,624</u>	<u>3,147,829</u>	<u>3,355,051</u>

During the year, a bad debt provision of £3,243 (2019: £3,243) was recognised.

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

Amounts owed by group undertakings relate to entities outside of the UK Group and therefore not included in these consolidated accounts.

**19. Cash and cash equivalents**

	<b>Group 2020</b>	<i>Group 2019</i>	<b>Company 2020</b>	<i>Company 2019</i>
	£	£	£	£
Cash at bank and in hand	<u>3,167,888</u>	<u>1,200,192</u>	<u>2,068,047</u>	<u>660,686</u>

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**20. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank loan	16,667	-	16,667	-
Trade creditors	1,343,412	1,234,095	370,690	255,690
Amounts owed to group undertakings	214,685	188,682	284,450	267,048
Corporation tax	101,155	97,855	101,155	97,855
Other taxation and social security	68,520	59,804	66,350	59,021
Obligations under finance lease and hire purchase contracts	8,308	8,007	-	-
Other creditors	33,092	210,175	-	167,289
Accruals and deferred income	506,255	486,471	262,189	326,860
	<b>2,292,094</b>	<b>2,285,089</b>	<b>1,101,501</b>	<b>1,173,763</b>

Included within other creditors is a leave provision of £58,248 (2019: £60,733). Refer to note 24.

Amounts owed to group undertakings, other than the loan from Tinius Olsen International Company are unsecured, interest free and repayable on demand.

Amounts owed to group undertakings relate to entities outside of the UK Group and therefore not included in these consolidated accounts.

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

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank loan	983,333	-	983,333	-
Amounts due to parent undertakings	491,875	573,508	491,875	573,508
Obligation under finance lease	21,352	31,298	-	-
	<b>1,496,560</b>	<b>604,806</b>	<b>1,475,208</b>	<b>573,508</b>

TINIUS OLSEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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22. Loans

Group and Company

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Amounts falling due within one year</b>				
Bank loan	16,667	-	16,667	-
Amounts due to parent undertakings	81,633	77,274	81,633	77,274
	<u>98,300</u>	<u>77,274</u>	<u>98,300</u>	<u>77,274</u>
<b>Amounts falling due 1-2 years</b>				
Bank loan	200,004	-	200,004	-
Amounts due to parent undertakings	491,875	81,633	491,875	81,633
	<u>691,879</u>	<u>81,633</u>	<u>691,879</u>	<u>81,633</u>
<b>Amounts falling due 2-5 years</b>				
Bank loan	600,012	-	600,012	-
Amounts due to parent undertakings	-	375,250	-	375,250
	<u>600,012</u>	<u>375,250</u>	<u>600,012</u>	<u>375,250</u>
<b>Amounts falling due after more than 5 years</b>				
Bank loan	183,317	-	183,317	-
Amounts due to parent undertakings	-	116,625	-	116,625
	<u>183,317</u>	<u>116,625</u>	<u>183,317</u>	<u>116,625</u>
	<u><u>1,573,508</u></u>	<u><u>650,782</u></u>	<u><u>1,573,508</u></u>	<u><u>650,782</u></u>

Amounts due to parent undertaking comprise one loan of £573,508 (2019: £650,782).

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.

The bank loans of £1,000,000 (2019: £nil), relates to Coronavirus Business Interruption Loan Scheme (CBILS) the Company received during the year. This loan is interest free for the first 12 months and subsequently subject to an interest rate of 3.50% + BOE rate per annum and is repayable in 72 monthly instalments. The bank has security over all assets of the Tinius Olsen Group.

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**TINIUS OLSEN LIMITED**

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**23. Finance leases**

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Within one year	<b>8,308</b>	8,007
Between 1-5 years	<b>21,352</b>	31,298
	<u><b>29,660</b></u>	<u>39,305</u>

**24. Provisions**

	<b>2020 £</b>
Balance as at 1 January 2020	<b>60,733</b>
Amount charged through statement of comprehensive income	<b>(2,485)</b>
<b>Closing balance</b>	<u><b>58,248</b></u>

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.

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**TINIUS OLSEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Financial instruments**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Financial assets</b>				
Cash at bank in hand	<b>3,167,888</b>	1,200,192	<b>2,068,048</b>	660,686
Financial assets that are debt instruments measured at amortised cost	<b>1,565,572</b>	2,414,297	<b>3,051,058</b>	3,261,737
	<b><u>4,733,460</u></b>	<u>3,614,489</u>	<b><u>5,119,106</u></b>	<u>3,922,423</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(3,618,982)</b>	(2,245,765)	<b>(2,409,205)</b>	(1,263,535)

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.

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**TINIUS OLSEN LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**26. Deferred taxation**

**Group**

	<b>2020</b>	<b>2019</b>
	£	£
At beginning of year	(17,995)	(23,248)
Charged to profit or loss	6,957	5,253
<b>At end of year</b>	<b>(11,038)</b>	<b>(17,995)</b>

**Company**

	<b>2020</b>	<b>2019</b>
	£	£
At beginning of year	(17,995)	(23,248)
Charged to profit or loss	6,957	5,253
<b>At end of year</b>	<b>(11,038)</b>	<b>(17,995)</b>

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2020</b>	<i>2019</i>	<b>2020</b>	<i>2019</i>
	£	£	£	£
Accelerated capital allowances	(22,162)	(27,948)	(22,162)	(27,948)
Short term timing differences	69	61	69	61
Capital gains	11,055	9,892	11,055	9,892
	<b>(11,038)</b>	<i>(17,995)</i>	<b>(11,038)</b>	<i>(17,995)</i>

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

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TINIUS OLSEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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27. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
18,000 (2019: 18,000) ordinary shares of £1.00 each	<u>18,000</u>	<u>18,000</u>

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

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 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	1,208	27,187
Later than 1 year and not later than 5 years	27,595	21,785
	<u>28,803</u>	<u>48,972</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 £12,173 and £250 (2019: £11,250 and £265) respectively.

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**31. Related party transactions**

At 31 December 2020 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 2020, 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.