

Tinius Olsen Limited

Registered number: 00998521

Annual Report

For the year ended 31 December 2021

TINIUS OLSEN LIMITED

COMPANY INFORMATION

Directors

C R Tait III
M Youings
M J Wheeler

Company secretary

S Elliott

Registered number

00998521

Registered office

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Honeycrock Lane
Salfords

Redhill
Surrey
RH1 5DZ

Independent auditors

Mazars LLP
Chartered Accountants & Statutory Auditor
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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present their strategic report together with the audited consolidated financial statements for Tinius Olsen Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021.

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 £1,236,017 (2020: profit of £330,832) for the year ended 31 December 2021. The underlying performance of the Company remained strong with a profit before taxation of £790,237 (2020: £345,963). 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.

Tinius Olsen Limited continue to monitor the conflict between Russia and neighbouring Ukraine to ensure that any existing and future commercial interests are neither linked to or involved with these countries or events.

BREXIT

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The Company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

COVID-19

The COVID-19 pandemic continues to affect the UK and global economies. The recent outbreak of the Omicron variant has seen certain social restrictions again implemented by the government which had previously been lifted. It is not possible to predict how long these social restrictions will remain in place and as such this presents some uncertainty. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible and to maintain the safety and wellbeing of the company's personnel. From a global standpoint, local subsidiaries in India and China maintain regulatory compliance as COVID-19 is a high priority. Any regulations enforced locally will be followed and enforced to the fullest extent possible, with health and safety being a top priority of the Group.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 decreased to 58% compared with last year (2020: 65%).

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 2021, the Company rebounded from 2020, which experienced low trade volumes primarily driven by the COVID 19 pandemic. The Company experienced an increase in customer capital spend, which resulted in an increase in revenue by 18% compared to 2020.

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 15.5% (2020: 3.8%).

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 3.61 (2020: 3.20).

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 Statement of Financial Position date.

The Company's policy in respect of interest rate risk and liquidity risk is to maintain a readily accessible bank deposit accounts to ensure the Company has sufficient funds for operations. The cash deposits are held in 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.

TINIUS OLSEN LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

M Youings
Director

Date: 23 March 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the audited consolidated financial statements of Tinius Olsen Limited (the 'Company') for the year ended 31 December 2021.

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 £1,106,784 (2020: profit of £239,070).

The directors do not recommend the payment of a dividend (2020: £nil).

Directors

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

C R Tait III
M Youings
M J Wheeler
R Schilling (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 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 Company and Group since the year end.

TINIUS OLSEN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditor

The auditor, 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 Youings

Director

Date: 23 March 2022

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Positions, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Group Analysis of Net Debt 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED

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 this gives rise to a material misstatement in the financial statements themselves. 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

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 the 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 the directors intend either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINIUS OLSEN LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls and determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of the inventory provision and valuation of the investment property, revenue recognition (which we pinpointed the cut off assertion), and significant one-off or unusual transactions.

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. 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.

Vincent Marke (Senior statutory auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor

6 Sutton Plaza
Sutton Court Road
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Surrey
SM1 4FS

25 March 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	8,386,773	6,546,219
Cost of sales		(3,461,510)	(2,322,519)
Gross profit		4,925,263	4,223,700
Distribution costs		(1,582,545)	(1,526,179)
Administrative expenses		(2,214,474)	(2,474,525)
Other operating income	5	190,288	149,140
Other operating charges		(1,936)	-
Operating profit	6	1,316,596	372,136
Interest receivable and similar income	10	8,126	2,896
Interest payable and similar expenses	11	(88,705)	(44,200)
Profit before taxation		1,236,017	330,832
Tax on profit	12	(129,233)	(91,762)
Profit for the financial year		1,106,784	239,070
Currency translation differences		(23,607)	(11,588)
Total comprehensive income for the year		1,083,177	227,482
Profit for the year attributable to:			
Owners of the parent Company		1,106,784	239,070
Total comprehensive income for the year attributable to:			
Owners of the parent Company		1,083,177	227,482

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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	4,000	8,000
Tangible assets	14	1,554,715	1,680,596
Investment property	16	460,000	460,000
		<u>2,018,715</u>	<u>2,148,596</u>
Current assets			
Stocks	17	2,508,895	2,423,289
Debtors: amounts falling due within one year	18	1,744,819	1,695,812
Cash at bank and in hand	19	3,157,146	3,167,888
		<u>7,410,860</u>	<u>7,286,989</u>
Creditors: amounts falling due within one year	20	(2,293,197)	(2,292,094)
Net current assets		<u>5,117,663</u>	<u>4,994,895</u>
Total assets less current liabilities		<u>7,136,378</u>	<u>7,143,491</u>
Creditors: amounts falling due after more than one year	21	(410,242)	(1,496,560)
Provisions for liabilities			
Deferred taxation	26	(7,066)	(11,038)
		<u>(7,066)</u>	<u>(11,038)</u>
Net assets		<u><u>6,719,070</u></u>	<u><u>5,635,893</u></u>
Capital and reserves			
Called up share capital	27	18,000	18,000
Share premium account	28	558,000	558,000
Capital contribution reserve	28	32,619	32,619
Profit and loss account	28	6,110,451	5,027,274
Total equity		<u><u>6,719,070</u></u>	<u><u>5,635,893</u></u>

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

M Youngs

Director

Date: 23 March 2022

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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	4,000	8,000
Tangible assets	14	1,415,213	1,485,576
Investment in subsidiaries	15	1,172,277	1,172,277
Investment property	16	460,000	460,000
		<u>3,051,490</u>	<u>3,125,853</u>
Current assets			
Stocks	17	1,766,308	1,759,590
Debtors: amounts falling due within one year	18	2,889,351	3,147,829
Cash at bank and in hand	19	2,112,300	2,068,047
		<u>6,767,959</u>	<u>6,975,466</u>
Creditors: amounts falling due within one year	20	(1,227,565)	(1,101,501)
Net current assets		<u>5,540,394</u>	<u>5,873,965</u>
Total assets less current liabilities		<u>8,591,884</u>	<u>8,999,818</u>
Creditors: amounts falling due after more than one year	21	(410,242)	(1,475,208)
Provisions for liabilities			
Deferred taxation	26	(7,066)	(11,038)
Net assets		<u>8,174,576</u>	<u>7,513,572</u>
Capital and reserves			
Called up share capital	27	18,000	18,000
Share premium account	28	558,000	558,000
Capital contribution reserve	28	32,619	32,619
Profit and loss account	28	7,565,957	6,904,953
Total equity		<u>8,174,576</u>	<u>7,513,572</u>

TINIUS OLSEN LIMITED
REGISTERED NUMBER: 00998521

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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 £661,004 (2020: profit of £345,963).

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

M Youings
Director

Date: 23 March 2022

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2020	18,000	558,000	32,619	4,799,792	5,408,411
Comprehensive income for the year					
Profit for the year	-	-	-	239,070	239,070
Currency translation differences	-	-	-	(11,588)	(11,588)
Other comprehensive income for the year	-	-	-	(11,588)	(11,588)
Total comprehensive income for the year	-	-	-	227,482	227,482
Total transactions with owners	-	-	-	-	-
At 1 January 2021	18,000	558,000	32,619	5,027,274	5,635,893
Comprehensive income for the year					
Profit for the year	-	-	-	1,106,784	1,106,784
Currency translation differences	-	-	-	(23,607)	(23,607)
Other comprehensive income for the year	-	-	-	(23,607)	(23,607)
Total comprehensive income for the year	-	-	-	1,083,177	1,083,177
Total transactions with owners	-	-	-	-	-
At 31 December 2021	18,000	558,000	32,619	6,110,451	6,719,070

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

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2020	18,000	558,000	32,619	6,558,990	7,167,609
Comprehensive income for the year					
Profit for the year	-	-	-	345,963	345,963
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	345,963	345,963
Total transactions with owners	-	-	-	-	-
At 1 January 2021	18,000	558,000	32,619	6,904,953	7,513,572
Comprehensive income for the year					
Profit for the year	-	-	-	661,004	661,004
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	661,004	661,004
Total transactions with owners	-	-	-	-	-
At 31 December 2021	18,000	558,000	32,619	7,565,957	8,174,576

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,106,784	239,070
Adjustments for:		
Amortisation of intangible assets	4,000	3,996
Depreciation of tangible assets	147,244	176,863
Impairments of investment property	-	155,000
Interest paid	88,705	44,200
Interest received	(8,126)	(2,812)
Taxation charge	129,233	91,762
Increase in stocks	(85,606)	(307,927)
(Increase)/decrease in debtors	(49,007)	840,454
Decrease in creditors	69,889	(94,896)
Corporation tax paid	(63,822)	(95,419)
Share of operating (loss)/profit in associates	(64,390)	-
Foreign exchange	(5,978)	11,588
Net cash generated from operating activities	1,268,926	1,061,879
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(11,996)
Purchase of tangible fixed assets	(25,099)	(7,336)
Sale of tangible fixed assets	3,736	-
Interest received	8,126	2,812
Net cash outflows used in investing activities	(13,237)	(16,520)
Cash flows from financing activities		
New secured loans	-	1,000,000
Repayment of loans	(1,000,000)	-
Interest paid on CBIL loan (note 22)	(30,000)	-
Capital element of lease repaid	(2,284)	(3,054)
Repayment of intercompany loan and finance leases	(213,928)	(86,919)
Net cash (used)/generated from financing activities	(1,246,212)	910,027
Net increase in cash and cash equivalents	9,477	1,955,386

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash and cash equivalents at beginning of year	3,167,888	1,200,192
Foreign exchange gains and losses	(20,219)	12,310
	<u>3,157,146</u>	<u>3,167,888</u>
Cash and cash equivalents at the end of year	<u>3,157,146</u>	<u>3,167,888</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,157,146	3,167,888
	<u>3,157,146</u>	<u>3,167,888</u>

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

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	Repayment of loan £	Repayment of finance leases £	At 31 December 2021 £
Cash at bank and in hand	3,167,888	(10,742)	-	-	3,157,146
Debt due after 1 year	(1,408,542)	-	998,300	-	(410,242)
Debt due within 1 year	(83,333)	-	83,333	-	-
Finance leases	(29,660)	-	-	9,237	(20,423)
	<u>1,646,353</u>	<u>(10,742)</u>	<u>1,081,633</u>	<u>9,237</u>	<u>2,726,481</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 2021**

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.

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 and Statement of Cashflows in these financial statements.

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

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 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 2021.

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 2021**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation 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 '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 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 2021**

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 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 of as incurred.

2.9 Interest receivable and similar income

Interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.10 Interest payable and similar expenses

Interest payable and similar expenses are charged to the 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 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 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 2021**

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 the 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.

2.15 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.

Amortisation charge for the year is included within 'administrative expenses'.

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 2021**

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 the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income.

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 2021**

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 the 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 2021**

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.

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 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 Group 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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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:

	2021 £	2020 £
United Kingdom	1,233,171	1,303,634
Rest of Europe	1,496,641	1,278,165
Rest of world	5,656,961	3,964,420
	<u>8,386,773</u>	<u>6,546,219</u>

All turnover arose from the same class of business.

5. Other operating income

	2021 £	2020 £
Other operating income	180,772	102,021
Coronavirus Job Retention Scheme grant	9,516	47,119
	<u>190,288</u>	<u>149,140</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Operating profit

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

	2021	2020
	£	£
Research & development charged as an expense	12,733	72,173
Depreciation of tangible assets	147,244	176,863
Amortisation of intangible assets	4,000	3,996
Operating lease rentals	29,546	28,716
Gains on foreign exchange differences	(21,285)	(12,971)
Inventory recognised as an expense	3,167,236	2,381,233
Impairment of investment property	<u>-</u>	<u>155,000</u>

7. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>42,800</u>	<u>40,000</u>
Fees payable to the Group's auditor in respect of:		
All other services	<u>10,100</u>	<u>8,500</u>
	<u>10,100</u>	<u>8,500</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Employees

Staff costs were as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	2,353,808	2,255,774	1,939,022	1,884,046
Social security costs	203,537	217,879	199,914	215,754
Cost of defined contribution scheme	168,555	156,026	158,709	156,026
	<u>2,725,900</u>	<u>2,629,679</u>	<u>2,297,645</u>	<u>2,255,826</u>

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

	2021 No.	<i>2020 No.</i>
Office and management	17	21
Manufacturing	21	21
Sales and design	24	25
	<u>62</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. The pension cost charge also includes contributions payable by the company to this fund. Included within accruals are outstanding contributions amounting to £nil (2020: £359).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	291,117	282,414
Company contributions to defined contribution pension schemes	46,579	45,813
Benefits in kind	4,774	30,845
	<u>342,470</u>	<u>359,072</u>

There were 2 directors in the Company's defined contribution pension scheme during the year (2020: 2).

Emoluments of the highest paid director was £161,419 (2020: £152,731). Company pension contributions of £25,827 (2020: £25,062) were made to a defined contribution scheme on his behalf. The director received benefits in kind of £nil (2020: £26,412).

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

	2021 £	2020 £
Other interest receivable	8,126	2,896
	<u>8,126</u>	<u>2,896</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Interest payable on bank loan	30,000	6,000
Interest payable on intercompany balances	56,421	35,146
Lease interest	2,284	3,054
	<u>88,705</u>	<u>44,200</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tax on profit

	2021 £	2020 £
Corporation tax		
UK Corporation tax on profits for the year	133,205	123,338
Adjustments in respect of previous periods	-	(24,619)
	<u>133,205</u>	<u>98,719</u>
Double taxation relief	-	(833)
	<u>133,205</u>	<u>97,886</u>
Foreign tax		
Foreign tax on income for the year	-	833
	-	833
Total current tax	<u>133,205</u>	<u>98,719</u>
Deferred tax		
Movement in the period	(7,457)	(9,093)
Adjustment in respect of previous periods	-	17
Effect of tax rate change on opening balance	3,485	2,119
Total deferred tax	<u>(3,972)</u>	<u>(6,957)</u>
Tax on profit	<u>129,233</u>	<u>91,762</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Tax on profit (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	<u>1,236,017</u>	<u>330,832</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	234,843	62,858
Effects of:		
Fixed asset differences	-	6,726
Expenses not deductible for tax purposes	(78,746)	69,707
Changes in tax rates	1,696	2,119
Adjustments to tax charge in respect of previous periods	978	(24,619)
Adjustments to tax charge in respect of previous periods - deferred tax	(1)	17
Additional deduction for R&D expenditure	(29,537)	(25,046)
Total tax charge for the year	<u>129,233</u>	<u>91,762</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be small

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 January 2021	11,996
At 31 December 2021	<u>11,996</u>
Amortisation	
At 1 January 2021	3,996
Charge for the year	4,000
At 31 December 2021	<u>7,996</u>
Net book value	
At 31 December 2021	<u>4,000</u>
<i>At 31 December 2020</i>	<u>8,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**
14. Tangible fixed assets**Group**

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2021	2,109,183	718,724	164,063	1,092,593	4,084,563
Additions	-	18,820	-	6,279	25,099
Disposals	(12,712)	-	(20,969)	-	(33,681)
	<u>2,096,471</u>	<u>737,544</u>	<u>143,094</u>	<u>1,098,872</u>	<u>4,075,981</u>
At 31 December 2021	<u>2,096,471</u>	<u>737,544</u>	<u>143,094</u>	<u>1,098,872</u>	<u>4,075,981</u>
Depreciation					
At 1 January 2021	791,452	585,134	116,958	910,423	2,403,967
Charge for the year	35,396	28,781	15,732	67,335	147,244
Disposals	(9,493)	-	(20,452)	-	(29,945)
	<u>817,355</u>	<u>613,915</u>	<u>112,238</u>	<u>977,758</u>	<u>2,521,266</u>
At 31 December 2021	<u>817,355</u>	<u>613,915</u>	<u>112,238</u>	<u>977,758</u>	<u>2,521,266</u>
Net book value					
At 31 December 2021	<u>1,279,116</u>	<u>123,629</u>	<u>30,856</u>	<u>121,114</u>	<u>1,554,715</u>
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>

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

	2021	2020
	£	£
Freehold property	<u>1,279,116</u>	<u>1,317,731</u>
	<u>1,279,116</u>	<u>1,317,731</u>

Finance leases

The net book value of Motor Vehicles above includes an amount of £8,050 (2020: £13,984) in respect of assets held under finance leases. The related depreciation charge on these assets was £5,934 (2020: £7,078).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2021	2,096,471	713,448	98,549	637,587	3,546,055
Additions	-	18,790	-	2,207	20,997
Disposals	-	-	(13,364)	-	(13,364)
At 31 December 2021	<u>2,096,471</u>	<u>732,238</u>	<u>85,185</u>	<u>639,794</u>	<u>3,553,688</u>
Depreciation					
At 1 January 2021	781,959	581,419	76,611	620,490	2,060,479
Charge for the year	35,396	29,164	9,337	17,249	91,146
Disposals	-	-	(13,150)	-	(13,150)
At 31 December 2021	<u>817,355</u>	<u>610,583</u>	<u>72,798</u>	<u>637,739</u>	<u>2,138,475</u>
Net book value					
At 31 December 2021	<u>1,279,116</u>	<u>121,655</u>	<u>12,387</u>	<u>2,055</u>	<u>1,415,213</u>
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>

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

	2021 £	2020 £
Freehold property	1,279,116	1,314,512
	<u>1,279,116</u>	<u>1,314,512</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2021	1,172,277
At 31 December 2021	<u>1,172,277</u>
Net book value	
At 31 December 2021	<u>1,172,277</u>
<i>At 31 December 2020</i>	<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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2021 and the profit for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Tinius Olsen India Private Limited	413,657	390,528
Tinius Olsen Testing Machine Company Shanghai Limited	(554,080)	55,088
	<hr/>	<hr/>

16. Investment property

Group and Company

Valuation	Freehold investment property £
At 1 January 2021 and 1 January 2020	460,000
	<hr/>
At 31 December 2021 and 31 December 2020	460,000
	<hr/> <hr/>

The 2021 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:

	2021 £	2020 £
Historic cost	673,187	673,187
	<hr/>	<hr/>
	673,187	673,187
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Stocks

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Finished goods and goods for resale	572,010	537,417	634,682	399,416
Raw materials and consumables	181,186	608,496	117,890	82,364
Work in progress (goods to be sold)	1,755,699	1,277,376	1,013,736	1,277,810
	<u>2,508,895</u>	<u>2,423,289</u>	<u>1,766,308</u>	<u>1,759,590</u>

During the year, a stock provision of £251,061 (2020: £195,599) 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

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Trade debtors	1,085,989	1,064,348	745,170	658,981
Amounts owed by group undertakings	347,071	253,408	1,980,475	2,325,351
Other debtors	142,542	247,817	40,980	66,725
Prepayments and accrued income	169,217	130,239	122,726	96,772
	<u>1,744,819</u>	<u>1,695,812</u>	<u>2,889,351</u>	<u>3,147,829</u>

During the year, a bad debt provision of £44,212 (2020: £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

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Cash at bank and in hand	<u>3,157,146</u>	<u>3,167,888</u>	<u>2,112,300</u>	<u>2,068,047</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**
20. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loan	-	16,667	-	16,667
Trade creditors	1,478,735	1,343,412	357,061	370,690
Amounts owed to group undertakings	91,627	214,685	349,913	284,450
Corporation tax	169,970	101,155	170,538	101,155
Other taxation and social security	71,486	68,520	69,687	66,350
Obligations under finance lease and hire purchase contracts	20,423	8,308	-	-
Other creditors	40,725	33,092	-	-
Accruals and deferred income	420,231	506,255	280,366	262,189
	<u>2,293,197</u>	<i><u>2,292,094</u></i>	<u>1,227,565</u>	<i><u>1,101,501</u></i>

Included within trade creditors is an amount due to Tinius Olsen International Company of £904,528 (£665,835), relating to stock purchased from the ultimate parent.

Included within other creditors is a leave provision of £47,508 (2020: £58,248). 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

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loan	-	983,333	-	983,333
Amounts due to parent undertakings	410,242	491,875	410,242	491,875
Obligation under finance lease	-	21,352	-	-
	<u>410,242</u>	<i><u>1,496,560</u></i>	<u>410,242</u>	<i><u>1,475,208</u></i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Loans

Group and Company

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts falling due within one year				
Bank loan	-	16,667	-	16,667
Amounts due to parent undertakings	-	81,633	81,633	81,633
	<hr/>	<hr/>	<hr/>	<hr/>
	-	98,300	81,633	98,300
Amounts falling due 1-2 years				
Bank loan	-	200,004	-	200,004
Amounts due to parent undertakings	410,242	491,875	410,242	491,875
	<hr/>	<hr/>	<hr/>	<hr/>
	410,242	691,879	410,242	691,879
Amounts falling due 2-5 years				
Bank loan	-	600,012	-	600,012
	<hr/>	<hr/>	<hr/>	<hr/>
	-	600,012	-	600,012
Amounts falling due after more than 5 years				
Bank loan	-	183,317	-	183,317
	<hr/>	<hr/>	<hr/>	<hr/>
	-	183,317	-	183,317
	<hr/>	<hr/>	<hr/>	<hr/>
	410,242	1,573,508	491,875	1,573,508

Amounts due to parent undertaking comprise one loan of £491,875 (2020: £573,508).

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 £nil (2020: £1,000,000), related to the Coronavirus Business Interruption Loan Scheme (CBILS) the Company received during the prior year. This loan was interest free for the first 12 months and was subsequently subject to an interest rate of 3.50% + BOE rate per annum. The loan was repaid during the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

23. Finance leases

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

	Group 2021 £	<i>Group 2020 £</i>
Within one year	20,423	8,308
Between 1-5 years	-	21,352
	<u>20,423</u>	<u>29,660</u>

24. Provisions

	2021 £
Balance as at 1 January 2021	58,248
Amount credited through Statement of Comprehensive Income	(10,740)
Closing balance	<u>47,508</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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Financial instruments

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Financial assets				
Cash at bank in hand	3,157,146	3,167,888	2,112,300	2,068,048
Financial assets that are debt instruments measured at amortised cost	1,575,601	1,565,572	2,766,055	3,051,058
	<u>4,732,747</u>	<u>4,733,460</u>	<u>4,878,355</u>	<u>5,119,106</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(2,461,922)</u>	<u>(3,618,982)</u>	<u>(1,397,586)</u>	<u>(2,409,205)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

26. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(11,038)	(17,995)
Charged to the Statement of Comprehensive Income	3,972	6,957
At end of year	(7,066)	(11,038)

Company

	2021 £	2020 £
At beginning of year	(11,038)	(17,995)
Charged the Statement of Comprehensive Income	3,972	6,957
At end of year	(7,066)	(11,038)

	Group 2021 £	<i>Group</i> 2020 £	Company 2021 £	<i>Company</i> 2020 £
Accelerated capital allowances	(22,162)	(22,162)	(22,162)	(22,162)
Short term timing differences	4,041	69	4,041	69
Capital gains	11,055	11,055	11,055	11,055
	(7,066)	<i>(11,038)</i>	(7,066)	<i>(11,038)</i>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

27. Called up share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
18,000 (2020: 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 Group and the Company.

Capital contribution reserve

This reserve represents the revaluation of freehold property.

29. Commitments under operating leases

At 31 December the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021	Group 2020
	£	£
Not later than 1 year	17,753	1,208
Later than 1 year and not later than 5 years	29,441	27,595
	<u>47,194</u>	<u>28,803</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 £12,054 and £248 (2020: £12,173 and £250) respectively.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

31. Related party transactions

At 31 December 2021 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 2021, 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.