

THE TINTOMETER LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

THURSDAY



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COMPANIES HOUSE

THE TINTOMETER LIMITED

COMPANY INFORMATION

DIRECTORS

C P Voss
M Reid
R E Lambourne
C A H M Counsell
M C Voss
P Banning

COMPANY SECRETARY

G J Belbin

REGISTERED NUMBER

00045024

REGISTERED OFFICE

Lovibond House
Sun Rise Way
Amesbury
Salisbury
Wiltshire
SP4 7GR

INDEPENDENT AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditor
Imperial House
18-21 Kings Park Road
Southampton
Hampshire
SO15 2AT

BANKERS

Lloyds Bank
25 Gresham Street
London
EC2V 7HN

THE TINTOMETER LIMITED

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THE TINTOMETER LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

BUSINESS REVIEW

The group underwent significant change in 2015, both in its composition and its operations. The composition of the group changed with the acquisition of Droptestkits.com ('DTK') and thus 9 months of its trading results are included in these 2015 results. Operationally the group's Indian subsidiary Tintometer India Private Ltd (TIPL) started trading with the local market in the year and the construction of a purpose built new facility for the majority of staff based in Amesbury was completed in the year, with all impacted staff relocated before the end of 2015. A further change is that these results are the first reported under the new UK accounting framework, FRS 102 (with more details of the impact of this change in note 30 of these accounts).

In total these changes have significantly impacted the results for the group. Changes in performance have been analysed between organic changes (those relating to the existing business at the beginning of 2015) and those impacts resulting from the first time consolidation of DTK and TIPL. Overall group sales were 16% up on the 2014 levels, to £11.7 million. This reflected organic growth (3% increase on the prior year); sales achieved in India (which also accounted for 3% of the increase) and the inclusion of the trading results for DTK (the remaining 10% of the increase).

Organic sales growth for the group was slightly below the Board's expectations, principally due to weakness in exports to the EU; sales to the rest of the world and UK continued to grow. This EU weakness reflected continued slow growth in the EU economies and the adverse exchange rate in the year. Sales at DTK were slightly below the comparable period in the prior 12 months, reflecting general market changes, as there is no evidence that DTK is losing market share. In India, due to the time taken to complete all the necessary registrations and approvals, there was a delay to the original plan with most of the sales to local customers happening late in the year.

The resulting Gross Margin performance for the year was satisfactory, with an achieved margin of 55% of revenues. This result was driven by the performance of the organic business as margins at DTK were adversely impacted by the drop in sales, and margins in India were in line with expectations for such a resale operation.

Operating profit was also satisfactory, as although administration expenses in total grew 39% on last year, this reflected a number of factors; including both organic and non organic increases (with such costs being reported for both TIPL and DTK for the first time; for both entities such costs were in line with expectations), amortisation of goodwill on the DTK acquisition and an impairment charge on tangible fixed assets.

To finance such significant changes and the associated calls on its cash resources, the group has relied on a mixture of its own cash balances (with a reduction in the group cash balances & deposits and continued good control of its working capital requirements), external arranged financing with its bankers (with a mix of both long term fixed rate and rolling short term LIBOR linked facilities).

The outlook for sales in 2016 is for further growth, which it is expected will mainly result from increased demand from the newer industrialising countries with only slower growth in the EU and North American markets (with a key driver of growth to these markets being the successful introduction of new products), although the recent drop in currency rates should also assist in our export sales, particularly to the North American market. A key part of this growth strategy is thus the successful increase in sales at the group subsidiary in India, TIPL, following the start of trading in 2015. There has already been some success in this regard in 2016, both in sales growth and in plans to increase the group's visibility and presence in the local market (which include customisation and assembly of some products for the local market). To support these developments, further financial and managerial support will be required from the UK, as such investment in the structure and resources of TIPL should help maximise the group's long term return in this large and rapidly growing market.

In addition to the financing required to support TIPL, the group faces further short term challenges to its cashflow, not least with 2 final instalments owing relating to the purchase of the DTK subsidiary coming due before the of quarter 1 2017. To meet these challenges, the group has in place borrowing facilities with its bankers, which in conjunction with funds internally generated, are projected to be more than sufficient to cover these outflows.

THE TINTOMETER LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

Management continue to review the Company's operating capabilities, processes and systems, with an emphasis on improved service for customers, along with cost control and improvements in efficiency. Following a review of the structure and operations of some of the group's operations and following consultation with the impacted employees, the decision was made in July 2016 to consolidate the manufacturing operations to 2 UK sites and cease operations in Wrexham. The directors believe that following the acquisition of DTK in 2015, this rationalisation will result in both significant performance enhancements and cost savings, once the Wrexham site finally closes in 2017. The directors would like to record their appreciation for the dedicated and loyal service of the employees whose jobs will be adversely impacted as a result of this decision.

As disclosed in the subsequent events note, the group relocated those elements of its operations previously undertaken at the freehold premises in Earls Barton to larger leased premises in Wellingborough. This move will enable the team based there to be more efficient, allow for future expansion and for the upgrading of facilities (for example by the installation of a certified clean room). The group was successfully able to sell the vacated freehold premises for a value in excess of the book value in quarter 1 2016.

To further improve operating efficiency, the decision was taken to amalgamate substantially all of the operations of the separate legal entity DTK.com Ltd into those of the main UK group company, The Tintometer Ltd with effect from 1 January 2016. This change will have no significant impact on the day to day operations, but, by removing an unnecessary legal obstacle, will reduce costs and ease the administration burden and compliance costs of the group.

The directors would like to take this opportunity to record their thanks to Chris Counsell, who stepped down as Managing Director in April 2016 following service in this role for over 10 years. During this period Chris lead the company through a period of sustained growth by investing in new products and addressing new markets, achieved increased profitability and significantly improved cash position, whilst ensuring that the company is well placed to grow further into the future. His role as Managing Director has been taken by Marke Reid, previously Sales & Marketing Director for the group, and Chris has taken the part time role of International Director for the group with special emphasis on developing the Indian subsidiary.

Overall the directors are thus pleased with the group's performance in this year of significant change, with good organic profit performance, the start of trading in India and the contribution to the group from DTK. Despite the significant cash investments on the new facilities and purchase of DTK in the year, good operating cash control and support from both its bankers and its shareholder have enabled the group to end the year in a good cash position. The directors thus believe that the group is well placed for future success.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are responsible for the group's systems of internal control, safeguarding of assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities, and have in place a framework of controls to ensure ongoing financial performance is monitored and risks identified as early as practically possible.

FINANCIAL KEY PERFORMANCE INDICATORS

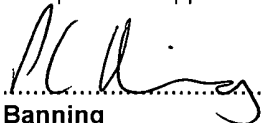
The key financial performance measures, which are monitored by the board of directors are:

- Turnover as a measure of growth
- Operating profit performance
- Operating cashflow generated

THE TINTOMETER LIMITED

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

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


.....
P Banning
Director

Date: 22/9/2016

THE TINTOMETER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £365,852 (2014 - £1,047,373).

No dividends will be distributed for the year ended 31 December 2015.

DIRECTORS

The directors who served during the year were:

C P Voss
M Reid
R E Lambourne
C A H M Counsell
M C Voss

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

RESEARCH AND DEVELOPMENT ACTIVITIES

Expenditure incurred by the group on research and development of new products is written off as incurred. All research and development expenditure is regarded as part of the group's continuing operations and is required to maintain its position in the market place.

EMPLOYEE INVOLVEMENT

All employees are encouraged to take an active interest in all aspects of the performance of the business. There is extensive consultation with employees on matters affecting their employment and working environment.

THE TINTOMETER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISABLED EMPLOYEES

The group employs people who are registered disabled. The group welcomes applications from all sections of society, including disabled people. The group also provides training based on job requirements and any specialist equipment to enable disabled people to play a full part in the success of the business.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Details of movements of fixed assets are given in notes to the financial statements.

The directors consider that the market value of freehold land and buildings is in excess of the amount shown in the financial statements but, the assets that are still used in the group's business and no disposals of these are envisaged, the excess has not been quantified.

FINANCIAL RISK MANAGEMENT

The group's activities expose it to a number of financial risks including credit risk, liquidity risk and cash flow risk. The directors have policies in place to ensure such risks are managed.

Credit risk

The group's principal financial assets are cash at bank and in hand, and trade and other debtors. The group's credit risk is primarily attributable to its trade debtors. However, this is managed by monitoring the aggregate amount and duration of exposure to any one debtor depending on their history. The amounts included in the balance sheet are net of provisions for any doubtful debts. The group has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

The group is funded by retained profits and by agreed bank facilities. The group's policy is to ensure that any projected borrowing requirement is covered by committed facilities with its bankers. The group has continued to operate within its bank facilities and the directors believe that its financing arrangements are adequate for its future operational needs.

Cash flow risk

The interest rate on the bank facilities is at market rate and the group's policy is to keep the bank facilities within the defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The directors monitor the overall level of borrowing and interest costs to limit any adverse effects on the financial performance of the group.

DISCLOSURE 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 that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that 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.


THE TINTOMETER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

AUDITORS

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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


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P Banning
Director

Date: 22/9/2016

THE TINTOMETER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TINTOMETER LIMITED

We have audited the financial statements of The Tintometer Limited for the year ended 31 December 2015, set out on pages 9 to 49. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE TINTOMETER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TINTOMETER LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Nexia Smith & Williamson

Christopher Appleton (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

Imperial House
18-21 Kings Park Road
Southampton
Hampshire
SO15 2AT

Date: 29-9-10

THE TINTOMETER LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	3	11,656,600	10,053,633
Cost of sales		(5,212,863)	(4,571,525)
GROSS PROFIT		6,443,737	5,482,108
Administrative expenses		(5,988,841)	(4,298,970)
OPERATING PROFIT	4	454,896	1,183,138
Interest receivable and similar income	7	4,542	5,974
Interest payable and expenses	8	(98,960)	(28,854)
Other finance charges		22,000	(31,000)
PROFIT BEFORE TAXATION		382,478	1,129,258
Tax on profit	10	(16,626)	(81,885)
PROFIT FOR THE YEAR		365,852	1,047,373
Actuarial gains/(losses) on defined benefit pension scheme		476,000	(890,000)
Movement of deferred tax relating to pension surplus		(217,480)	124,800
Foreign exchange movement		(6,423)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		252,097	(765,200)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		617,949	282,173

The notes on pages 20 to 49 form part of these financial statements.

THE TINTOMETER LIMITED
REGISTERED NUMBER: 00045024

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

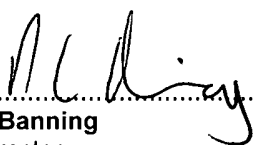
	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	11	1,768,421	152,214
Tangible assets	13	7,468,749	3,630,712
Investments	14	30	30
		<u>9,237,200</u>	<u>3,782,956</u>
CURRENT ASSETS			
Stocks	15	2,113,203	1,601,763
Debtors: amounts falling due within one year	16	1,786,342	1,479,218
Cash at bank and in hand		1,583,590	3,023,257
		<u>5,483,135</u>	<u>6,104,238</u>
Creditors: amounts falling due within one year	17	(2,909,066)	(852,265)
NET CURRENT ASSETS		<u>2,574,069</u>	<u>5,251,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,811,269</u>	<u>9,034,929</u>
Creditors: amounts falling due after more than one year	18	(2,857,377)	(764,854)
PROVISIONS FOR LIABILITIES			
Deferred taxation	21	(105,782)	(60,463)
Other provisions	22	(23,834)	(21,765)
		<u>(129,616)</u>	<u>(82,228)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>8,824,276</u>	<u>8,187,847</u>
Pension liability	26	(2,487,880)	(3,054,400)
NET ASSETS		<u><u>6,336,396</u></u>	<u><u>5,133,447</u></u>

THE TINTOMETER LIMITED
REGISTERED NUMBER: 00045024

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
CAPITAL AND RESERVES			
Called up share capital	23	11,000	8,750
Share premium account	24	1,528,100	945,350
Revaluation reserve	24	64,287	64,287
Capital redemption reserve	24	5,750	5,750
Foreign exchange reserve	24	(7,674)	(1,251)
Profit and loss account	24	4,734,933	4,110,561
		<u>6,336,396</u>	<u>5,133,447</u>

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



P Banning
 Director

THE TINTOMETER LIMITED
REGISTERED NUMBER: 00045024

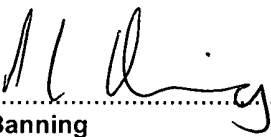
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	13	6,628,877	3,214,012
Investments	14	3,891,325	1,321,529
		<u>10,520,202</u>	<u>4,535,541</u>
CURRENT ASSETS			
Stocks	15	1,723,713	1,476,919
Debtors: amounts falling due within one year	16	1,866,367	1,467,495
Cash at bank and in hand		1,176,183	2,621,495
		<u>4,766,263</u>	<u>5,565,909</u>
Creditors: amounts falling due within one year	17	(2,592,901)	(625,490)
NET CURRENT ASSETS		<u>2,173,362</u>	<u>4,940,419</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,693,564</u>	<u>9,475,960</u>
Creditors: amounts falling due after more than one year	18	(2,640,000)	(525,000)
PROVISIONS FOR LIABILITIES			
Deferred taxation	21	(114,732)	(60,606)
Other provisions	22	(21,765)	(21,765)
		<u>(136,497)</u>	<u>(82,371)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>9,917,067</u>	<u>8,868,589</u>
Pension liability		(2,487,880)	(3,054,400)
NET ASSETS		<u><u>7,429,187</u></u>	<u><u>5,814,189</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	11,000	8,750
Share premium account	24	1,528,100	945,350
Revaluation reserve	24	64,287	64,287
Capital redemption reserve	24	5,750	5,750
Profit and loss account	24	5,820,050	4,790,052
		<u><u>7,429,187</u></u>	<u><u>5,814,189</u></u>

<p>THE TINTOMETER LIMITED REGISTERED NUMBER: 00045024</p>

COMPANY BALANCE SHEET (continued)
AS AT 31 DECEMBER 2015

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


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P Banning

Director

The notes on pages 20 to 49 form part of these financial statements.

THE TINTOMETER LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Foreign exchange reserve £	Retained earnings £	Total equity £
At 1 January 2015	8,750	945,350	5,750	64,287	(1,251)	4,110,561	5,133,447
Profit for the year	-	-	-	-	-	365,852	365,852
Actuarial gains on pension scheme	-	-	-	-	-	258,520	258,520
Foreign exchange movement	-	-	-	-	(6,423)	-	(6,423)
Shares issued during the year	2,250	582,750	-	-	-	-	585,000
AT 31 DECEMBER							
2015	11,000	1,528,100	5,750	64,287	(7,674)	4,734,933	6,336,396

THE TINTOMETER LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Foreign exchange reserve £	Retained earnings £	Total equity £
At 1 January 2014	8,750	945,350	5,750	66,858	(1,251)	3,825,817	4,851,274
Profit for the year	-	-	-	-	-	1,047,373	1,047,373
Actuarial losses on pension scheme	-	-	-	-	-	(765,200)	(765,200)
AT 31 DECEMBER							
2014	8,750	945,350	5,750	64,287	(1,251)	4,110,561	5,133,447

The notes on pages 20 to 49 form part of these financial statements.

THE TINTOMETER LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital	Share premium	Capital redemption reserve	Revaluatio n reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2015	8,750	945,350	5,750	64,287	4,790,052	5,814,189
Profit for the year	-	-	-	-	771,478	771,478
Actuarial gains on pension scheme	-	-	-	-	258,520	258,520
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS						
Shares issued during the year	2,250	582,750	-	-	-	585,000
AT 31 DECEMBER 2015	11,000	1,528,100	5,750	64,287	5,820,050	7,429,187

THE TINTOMETER LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital £	Share premium £	Capital redemption reserve £	Revaluatio n reserve £	Retained earnings £	Total equity £
At 1 January 2014	8,750	945,350	5,750	66,858	4,337,875	5,364,583
Profit for the year	-	-	-	-	1,214,806	1,214,806
Actuarial losses on pension scheme	-	-	-	-	(765,200)	(765,200)
Transfer to/from profit and loss account	-	-	-	(2,571)	2,571	-
AT 31 DECEMBER 2014	8,750	945,350	5,750	64,287	4,790,052	5,814,189

The notes on pages 20 to 49 form part of these financial statements.

THE TINTOMETER LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	365,852	1,047,373
ADJUSTMENTS FOR:		
Amortisation of intangible assets	538,358	277,883
Depreciation of tangible assets	235,587	210,844
Impairments of fixed assets	244,479	-
Loss on disposal of tangible assets	1,802	215
Foreign exchange movement	(6,423)	-
Increase in stocks	(511,440)	(232,038)
Interest paid	98,960	28,854
Interest received	(4,542)	(5,974)
Taxation	36,695	81,885
(Increase)/decrease in debtors	(462,114)	77,589
Decrease/(increase) in amounts owed by group	47,671	(120,399)
Increase/(decrease) in creditors	1,883,242	(760)
Increase/(decrease) in amounts owed to group	165,638	(156,202)
Increase/(decrease) in provisions	(11,349)	8,775
Decrease in net pension liability	(308,000)	(424,489)
Corporation tax	126,599	(71,975)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,441,015	721,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(2,154,565)	-
Purchase of tangible fixed assets	(4,321,682)	(490,360)
Sale of tangible fixed assets	1,777	9,122
Interest received	4,542	5,974
HP interest paid	-	(2,165)
NET CASH FROM INVESTING ACTIVITIES	(6,469,928)	(477,429)

THE TINTOMETER LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
31 DECEMBER 2015

CASH FLOWS FROM FINANCING ACTIVITIES

Issue of ordinary shares	585,000	-
New secured loans	2,103,206	128,596
Repayment of/new finance leases	-	(9,331)
Interest paid	(98,960)	(26,689)

NET CASH USED IN FINANCING ACTIVITIES

	2,589,246	92,576
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NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

	(1,439,667)	336,728
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Cash and cash equivalents at beginning of year

	3,023,257	2,686,529
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CASH AND CASH EQUIVALENTS AT THE END OF YEAR

	1,583,590	3,023,257
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CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:

Cash at bank and in hand

	1,583,590	3,023,257
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	1,583,590	3,023,257
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THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Tagible Fixed assets and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

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 judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed 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 Balance sheet, 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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

The group has also taken the exemption regarding lease incentives and business combinations and have chosen not to retrospectively apply the standards to lease arrangements and business combinations that started or occurred before the date of transition to FRS 102.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

Other 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. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

1.5 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (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	- 2% straight line
L/Term Leasehold Property	- Over period of lease
Plant & machinery	- 18% straight line
Motor vehicles	- 20% straight line

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 within 'other operating income' in the Consolidated statement of comprehensive income.

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried fair value for the current year at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.8 Impairment of fixed assets and goodwill

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

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.10 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 balance sheet 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.

1.11 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.

1.12 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 Company's cash management.

1.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables,

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments (continued)

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 financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and loss account.

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 balance sheet date.

1.14 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.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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.

1.16 Finance costs

Finance costs are charged to the Profit and loss account 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.

1.17 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 payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.18 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.19 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

1.20 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 Profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

1.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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 balance sheet 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 Balance sheet 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 balance sheet date.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful economic lives for Tangible Fixed Assets

The group reviews the residual values, estimated useful lives and depreciation rates of its significant fixed assets at each reporting date for evidence of any significant change in these factors. As noted in the directors' report, the group wrote down the value of the vacated Amesbury freehold property by £244,479 in the year.

Goodwill impairment

Goodwill is amortised over an estimated useful life of 5 years unless there is any indication of impairment to the value of the relevant separately identifiable cash generating unit, when the goodwill is written down to its revised estimated value. The carrying value of goodwill at 31 December 2015 was £1,768,421 after amortisation of £1,667,060.

Dilapidations

The group has leased property and one of the clauses in these leases obliges the group to return the property in the same condition as when the lease was taken out. As there is no certainty over the final costs to bring the property back to this condition, the groups prepares estimates at each reporting date. The carrying value of such provisions at 31 December 2015 was £23,834.

Warranty provision

Past experience has shown that, although customers can return within the agreed warranty period any products that are or become faulty supplied by the group, such returns are not significant. Accordingly the group makes no warranty provision at year-end, and any such costs are expensed in the year the units are returned by the customer. The group closely monitors this situation.

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	4,520,814	3,101,673
Rest of Europe	3,136,259	3,361,864
Rest of the world	3,999,527	3,590,096
	<u>11,656,600</u>	<u>10,053,633</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	235,587	210,844
Impairment of tangible fixed assets	244,479	-
Amortisation of intangible assets, including goodwill	538,358	277,884
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	30,200	34,610
Exchange differences	(45,646)	(16,627)
Defined contribution pension cost	209,077	204,764
	209,077	204,764

5. EMPLOYEES

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

	2015 £	2014 £
Wages and salaries	3,224,558	2,793,956
Social security costs	288,907	247,338
Cost of defined contribution scheme	209,077	204,764
	3,722,542	3,246,058

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

	2015 No.	2014 No.
Production and service	67	49
Sales and distribution	21	26
Administration	43	15
	131	90

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	224,996	210,064
Company contributions to defined contribution pension schemes	32,452	15,362
	<u>257,448</u>	<u>225,426</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £101,874 (2014 - £99,807).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,418 (2014 - £6,783).

7. INTEREST RECEIVABLE

	2015 £	2014 £
Other interest receivable	4,542	5,974
	<u>4,542</u>	<u>5,974</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest payable	98,960	26,689
Finance leases and hire purchase contracts	-	2,165
	<u>98,960</u>	<u>28,854</u>

9. OTHER FINANCE COSTS

	2015 £	2014 £
Net interest on net defined benefit liability	(422,000)	(471,000)
Expected return on Pension scheme assets	444,000	440,000
	<u>22,000</u>	<u>(31,000)</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TAXATION

	2015 £	2014 £
CORPORATION TAX		
Current tax on profits for the year	3,926	82,912
Adjustments in respect of previous periods	(25,968)	(8,175)
	(22,042)	74,737
TOTAL CURRENT TAX	(22,042)	74,737
DEFERRED TAX		
Origination and reversal of timing differences	38,668	7,148
TOTAL DEFERRED TAX	38,668	7,148
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	16,626	81,885

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	382,478	1,129,258
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	77,013	242,678
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	169,573	19,369
Other permanent differences	(26,980)	(7,746)
Fixed asset differences	(22,729)	9,178
Amounts charged directly to the STRGL	123,099	-
Losses carried back	2,404	12,308
Other tax adjustments	5,837	-
Additional deduction for R&D expenditure	(130,021)	(185,825)
Group relief surrendered	369	-
Adjustment in respect of prior periods	(25,536)	(24,357)
Adjustment in respect of prior periods (deferred tax)	16,925	-
Deferred tax charged directly to the STRGL	(217,480)	-
Adjust closing deferred tax to average rate	52,612	-
Adjust opening deferred tax to average rate	(8,460)	-
Unrelieved tax losses carried forward	-	17,361
Marginal relief	-	(1,081)
TOTAL TAX CHARGE FOR THE YEAR	16,626	81,885

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. INTANGIBLE ASSETS

Group

	Patents £	Trademarks £	Goodwill £	Total £
COST				
At 1 January 2015	50,000	28,219	1,280,916	1,359,135
Additions	-	-	2,154,565	2,154,565
Disposals	(50,000)	-	-	(50,000)
At 31 December 2015	-	28,219	3,435,481	3,463,700
AMORTISATION				
At 1 January 2015	50,000	28,219	1,128,702	1,206,921
Charge for the year	-	-	538,358	538,358
On disposals	(50,000)	-	-	(50,000)
At 31 December 2015	-	28,219	1,667,060	1,695,279
NET BOOK VALUE				
At 31 December 2015	-	-	1,768,421	1,768,421
At 31 December 2014	-	-	152,214	152,214

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. INTANGIBLE ASSETS (continued)

Company

	Trademarks £	Goodwill £	Total £
COST			
At 1 January 2015	28,219	743,690	771,909
At 31 December 2015	28,219	743,690	771,909
AMORTISATION			
At 1 January 2015	28,219	743,690	771,909
At 31 December 2015	28,219	743,690	771,909
NET BOOK VALUE			
At 31 December 2015	-	-	-
At 31 December 2014	-	-	-

12. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £771,478 (2014 - £1,214,806).

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Property under construction £	Total £
COST OR VALUATION						
At 1 January 2015	3,146,726	145,268	1,586,124	202,722	-	5,080,840
Additions	226,468	98,608	263,098	35,990	3,697,518	4,321,682
Disposals	-	-	(27,778)	(51,336)	-	(79,114)
Transfers between classes	-	-	(236,427)	-	236,427	-
At 31 December 2015	3,373,194	243,876	1,585,017	187,376	3,933,945	9,323,408
DEPRECIATION						
At 1 January 2015	343,476	54,441	899,133	153,078	-	1,450,128
Charge for the year	35,290	18,350	148,485	33,462	-	235,587
Disposals	-	-	(25,677)	(49,858)	-	(75,535)
Impairment charge	244,479	-	-	-	-	244,479
At 31 December 2015	623,245	72,791	1,021,941	136,682	-	1,854,659
NET BOOK VALUE						
At 31 December 2015	2,749,949	171,085	563,076	50,694	3,933,945	7,468,749
At 31 December 2014	2,803,250	90,827	686,991	49,644	-	3,630,712

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. TANGIBLE FIXED ASSETS (continued)

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

	2015 £	2014 £
Freehold	2,749,949	2,803,250
Long leasehold	171,085	90,827
	<u>2,921,034</u>	<u>2,894,077</u>

At cost Land and buildings would be held at £3,045,872. The valuation increase of £119,641 occurred in 1991.

Company

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Freehold property under construction £	Total £
COST OR VALUATION						
At 1 January 2015	2,796,726	107,079	1,506,731	200,422	-	4,610,958
Additions	-	-	104,202	35,990	3,697,518	3,837,710
Disposals	-	-	(15,298)	(51,336)	-	(66,634)
Transfers between classes	-	-	(236,427)	-	236,427	-
At 31 December 2015	<u>2,796,726</u>	<u>107,079</u>	<u>1,359,208</u>	<u>185,076</u>	<u>3,933,945</u>	<u>8,382,034</u>
DEPRECIATION						
At 1 January 2015	331,476	54,441	860,104	150,925	-	1,396,946
Charge owned for the period	31,290	18,350	93,625	33,403	-	176,668
Disposals	-	-	(15,078)	(49,858)	-	(64,936)
Impairment charge	244,479	-	-	-	-	244,479
At 31 December 2015	<u>607,245</u>	<u>72,791</u>	<u>938,651</u>	<u>134,470</u>	<u>-</u>	<u>1,753,157</u>
At 31 December 2015	<u>2,189,481</u>	<u>34,288</u>	<u>420,557</u>	<u>50,606</u>	<u>3,933,945</u>	<u>6,628,877</u>
At 31 December 2014	<u>2,465,250</u>	<u>52,638</u>	<u>646,627</u>	<u>49,497</u>	<u>-</u>	<u>3,214,012</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	2015 £	2014 £
Freehold	2,189,481	2,465,250
Long leasehold	34,288	52,638
	<u>2,223,769</u>	<u>2,517,888</u>

At cost Land and buildings would be held at £3,045,872. The valuation increase of £119,641 occurred in 1991.

14. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
At 1 January 2015	30
NET BOOK VALUE	
At 31 December 2015	<u>30</u>
At 31 December 2014	<u>30</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
App-Chem Limited	United Kingdom	Ordinary	100 %	Manufacture of water treatment analysis reagents
Lovibond Tintometer Limited	United Kingdom	Ordinary	100 %	Dormant
Lovibond Limited	United Kingdom	Ordinary	100 %	Dormant
Tintometer India Private Limited	United Kingdom	Ordinary	100 %	Trading of water treatment analysis reagents
Droptestkits.com Limited	United Kingdom	Ordinary	100 %	Manufacture of water treatment analysis reagents

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. FIXED ASSET INVESTMENTS (continued)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2015	1,321,499	30	1,321,529
Additions	2,569,796	-	2,569,796
At 31 December 2015	<u>3,891,295</u>	<u>30</u>	<u>3,891,325</u>
NET BOOK VALUE			
At 31 December 2015	<u>3,891,295</u>	<u>30</u>	<u>3,891,325</u>
At 31 December 2014	<u>1,321,499</u>	<u>30</u>	<u>1,321,529</u>

15. STOCKS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Raw materials and consumables	515,061	457,401	515,061	457,401
Work in progress (goods to be sold)	18,399	25,159	18,399	25,159
Finished goods and goods for resale	1,579,743	1,119,203	1,190,253	994,359
	<u>2,113,203</u>	<u>1,601,763</u>	<u>1,723,713</u>	<u>1,476,919</u>

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

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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16. DEBTORS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	1,034,854	890,300	644,279	724,351
Amounts owed by group undertakings	275,525	323,196	840,496	495,642
Other debtors	345,172	205,700	250,801	191,307
Prepayments and accrued income	130,791	60,022	130,791	56,195
	<u>1,786,342</u>	<u>1,479,218</u>	<u>1,866,367</u>	<u>1,467,495</u>

17. CREDITORS: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loans	721,990	121,307	700,000	100,000
Trade creditors	809,715	285,629	668,432	254,321
Amounts owed to group undertakings	402,749	237,111	339,997	172,022
Corporation tax	-	2,762	-	-
Taxation and social security	135,768	92,036	78,832	75,434
Other creditors	797,543	63,396	785,640	3,713
Accruals and deferred income	41,301	50,024	20,000	20,000
	<u>2,909,066</u>	<u>852,265</u>	<u>2,592,901</u>	<u>625,490</u>

18. CREDITORS: Amounts falling due after more than one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loans	2,267,377	764,854	2,050,000	525,000
Other creditors	590,000	-	590,000	-
	<u>2,857,377</u>	<u>764,854</u>	<u>2,640,000</u>	<u>525,000</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. LOANS

Included within creditors are loan amounts falling due as follows:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Less than one year				
Bank loans	721,990	121,307	700,000	100,000
Between 1-2 years				
Bank loans	322,674	221,990	300,000	200,000
Between 2-5 years				
Bank loans	814,761	395,075	742,635	325,000
Greater than 5 years				
Bank loans	1,129,942	147,789	1,007,365	-

20. FINANCIAL INSTRUMENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash and cash equivalents	1,583,620	3,023,287	1,176,213	2,621,525
Financial assets that are debt instruments measured at amortised cost	1,655,551	1,419,196	1,735,576	1,411,300
	<u>3,239,171</u>	<u>4,442,483</u>	<u>2,911,789</u>	<u>4,032,825</u>
Financial liabilities measured at amortised cost	(5,610,675)	(1,485,841)	(5,134,069)	(1,055,056)
	<u>(5,610,675)</u>	<u>(1,485,841)</u>	<u>(5,134,069)</u>	<u>(1,055,056)</u>

Financial assets measured at amortised cost comprise Trade debtors, other debtors, prepayments and intercompany balances.

Financial Liabilities measured at amortised cost comprise Trade creditors, other creditors, accruals and intercompany balances.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

21. DEFERRED TAXATION

Group

	Deferred tax £
At 1 January 2015	60,463
Charged to the profit or loss	45,319
AT 31 DECEMBER 2015	105,782

Company

	Deferred tax £
At 1 January 2015	60,606
Charged to the profit or loss	(54,126)
AT 31 DECEMBER 2015	114,732

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Accelerated capital allowances	105,782	60,463	114,732	60,606
	105,782	60,463	114,732	60,606

22. PROVISIONS

Group

	Dilapidation provision £
At 1 January 2015	21,765
Charged to the profit or loss	2,069
AT 31 DECEMBER 2015	23,834

THE TINTOMETER LIMITED

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Company	Dilapidation provision £	Total £
At 1 January 2015	21,765	21,765
AT 31 DECEMBER 2015	<u>21,765</u>	<u>21,765</u>

23. SHARE CAPITAL	2015	2014
	£	£
Allotted, called up and fully paid		
22,000 (2014 - 17,500) Ordinary shares of £0.50 each	<u>11,000</u>	<u>8,750</u>

On 19 August 2015 4,500 shares at a nominal value of 50p each were issued by The Tintometer Limited for a cost of £585,000.

24. RESERVES

Share premium

The share premium reserve represents cumulative value of excess paid for shares capital, beyond its nominal value.

Revaluation reserve

The revaluation reserve represents the cumulative value of revaluation movements from cost.

Capital redemption reserve

The capital redemption reserve represents cumulative value of shares that have been repurchased by the company.

Foreign exchange reserve

The foreign exchange reserve represents the cumulative movements in foreign exchange.

Profit & loss account

The profit & loss account represents cumulative profit & losses.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

25. CAPITAL COMMITMENTS

At 31 December 2015 the Group and Company had capital commitments as follows:

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Contracted for but not provided in these financial statements	103,339	3,552,882	2,346	3,552,882

The group and Company were committed to the above costs in relation to the fit out of a new premise and in the prior year the building of a new industrial unit.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

26. PENSION COMMITMENTS

The Group operates a Defined benefit pension scheme.

The group operates a defined benefit pension scheme in the UK for qualifying employees of the parent company. A full actuarial valuation was carried out as at 1 August 2013 and updated for FRS102 as at 31 December 2014 and 31 December 2015. All valuations were carried out by a qualified independent actuary.

Reconciliation of present value of plan liabilities:

	2015 £	2014 £
RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES		
At the beginning of the year	12,696,000	11,087,000
Current service cost	19,000	22,000
Contribution by scheme participants	19,000	19,000
Interest cost	422,000	471,000
Actuarial gains/losses	(812,000)	1,439,000
Benefits paid	(461,000)	(342,000)
AT THE END OF THE YEAR	11,883,000	12,696,000

	2015 £	2014 £
RECONCILIATION OF FAIR VALUE OF SCHEME ASSETS		
At the beginning of the year	8,878,000	7,893,000
Expected return on assets	444,000	440,000
Actuarial gains/losses	(336,000)	549,000
Contributions by employer	305,000	319,000
Benefits paid	(461,000)	(342,000)
Contributions by scheme participants	19,000	19,000
AT THE END OF THE YEAR	8,849,000	8,878,000

	2015 £	2014 £
Fair value of plan assets	8,849,000	8,878,000
Present value of plan liabilities	(11,883,000)	(12,696,000)
Related deferred tax asset	546,120	763,600
NET PENSION SCHEME LIABILITY	(2,487,880)	(3,054,400)

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

26. PENSION COMMITMENTS (continued)

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Current service cost	19,000	(22,000)
Interest on obligation	(422,000)	(471,000)
Interest income on plan assets	444,000	440,000
TOTAL	41,000	(53,000)
Actual return on scheme assets	127,000	989,000
	(127,000)	(989,000)

The Group expects to contribute £305k (2015: £285k) to its Defined benefit pension scheme in 2016.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015 %	2014 %
Discount rate at 31 December	3.5	3.3
Expected return on scheme assets at 31 December	5.1	5
Future pension increases	3.0	3.1
Revaluation in deferment	2.3	2.4
Mortality rates		
- for a male aged 65 now	22.0 years	22.8 years
- for a female aged 65 now	25.5 years	25.2 years

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

26. PENSION COMMITMENTS (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(11,883,000)	(12,696,000)	(11,087,000)	(11,132,000)	(9,176,000)
Scheme assets	8,849,000	8,878,000	7,893,000	7,314,000	6,834,000
SURPLUS	(3,034,000)	(3,818,000)	(3,194,000)	(3,818,000)	(2,342,000)
Experience adjustments on scheme liabilities	812,000	(1,439,000)	202,000	(1,823,000)	(1,072,000)
Experience adjustments on scheme assets	(336,000)	549,000	158,000	63,000	274,000

Defined Contribution Scheme

During the year the group paid contributions of £174,544 (2014: £135,941) in respect of its defined contribution pension scheme. At the balance sheet date there were no contributions outstanding and no prepaid contributions.

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Not later than 1 year	68,923	76,377	68,923	76,377
Later than 1 year and not later than 5 years	111,345	115,126	111,345	115,126
Later than 5 years	10,226	23,838	10,226	23,838
TOTAL	190,494	215,341	190,494	215,341

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

28. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption, under section 33 of FRS102, not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities that have been eliminated on consolidation are not disclosed within the financial statements.

During the year, the group sold to, and purchased from, Tintometer GmbH goods to the value of £310,828 (2014: £246,235) and £1,130,702 (2014: £1,505,255) respectively. At the year end, the group owed Tintometer GmbH £82,507 (2014: £165,366) and was owed £325,375 (2014: £20,166).

29. CONTROLLING PARTY

The Directors consider Tintometer GmbH to be the Company's ultimate parent company, which is incorporated in Germany and is under the control of C P Voss.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

30. FIRST TIME ADOPTION OF FRS 102

Group

	<i>As previously stated 1 January 2014</i>	<i>Effect of transition 1 January 2014</i>	FRS 102 (as restated) 1 January 2014	<i>As previously stated 31 December 2014</i>	<i>Effect of transition 31 December 2014</i>	FRS 102 (as restated) 31 December 2014
Note	£	£	£	£	£	£
Fixed assets	4,069,791	(277,507)	3,792,284	4,167,968	(385,012)	3,782,956
Current assets	5,332,599	-	5,332,599	6,104,238	-	6,104,238
Creditors: amounts falling due within one year	(1,015,784)	-	(1,015,784)	(852,265)	-	(852,265)
NET CURRENT ASSETS	4,316,815	-	4,316,815	5,251,973	-	5,251,973
TOTAL ASSETS LESS CURRENT LIABILITIES	8,386,606	(277,507)	8,109,099	9,419,941	(385,012)	9,034,929
Creditors: amounts falling due after more than one year	(636,270)	-	(636,270)	(764,854)	-	(764,854)
Provisions for liabilities	(2,621,505)	-	(2,621,505)	(3,136,628)	-	(3,136,628)
NET ASSETS	5,128,831	(277,507)	4,851,324	5,518,459	(385,012)	5,133,447
Capital and reserves	5,128,831	(277,507)	4,851,324	5,518,461	(385,014)	5,133,447

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

30. FIRST TIME ADOPTION OF FRS 102 (continued)

		<i>As previously stated 31 December 2014 £</i>	<i>Effect of transition 31 December 2014 £</i>	FRS 102 (as restated) 31 December 2014 £
Turnover	Note	10,053,633	-	10,053,633
Cost of sales		(4,571,525)	-	(4,571,525)
		<u>5,482,108</u>	<u>-</u>	<u>5,482,108</u>
Administrative expenses		(4,191,515)	(107,455)	(4,298,970)
		<u>1,290,593</u>	<u>(107,455)</u>	<u>1,183,138</u>
OPERATING PROFIT		1,290,593	(107,455)	1,183,138
Interest receivable and similar income		5,974	-	5,974
Interest payable and similar charges		(28,854)	-	(28,854)
Other finance income		(31,000)	-	(31,000)
Taxation		(81,885)	-	(81,885)
		<u>1,154,828</u>	<u>(107,455)</u>	<u>1,047,373</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		1,154,828	(107,455)	1,047,373

Explanation of changes to previously reported profit and equity:

- Goodwill has not historically been amortised. Upon transition the useful life has been converted from indefinite to 5 years from acquisition. This has led to additional depreciation of £107,455 in the year to 2014 and reduced retained earning and the opening NBV of Intangible assets by £277,507.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

30. FIRST TIME ADOPTION OF FRS 102 (continued)

Company

There are no material differences from FRS102.