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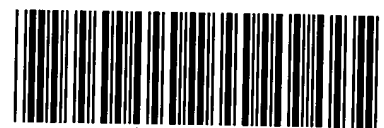
**THE TINTOMETER LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**THE TINTOMETER LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C P Voss M Reid R E Lambourne C A H M Counsell M C Voss
<b>Company secretary</b>	G J Belbin
<b>Registered number</b>	00045024
<b>Registered office</b>	Lovibond House Solar Way Solstice Park Amesbury SP4 7SZ
<b>Independent auditors</b>	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor Imperial House 18-21 Kings Park Road Southampton Hampshire SO15 2AT
<b>Bankers</b>	Lloyds Bank 25 Gresham Street London EC2V 7HN

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**THE TINTOMETER LIMITED**

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**CONTENTS**

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	Page
<b>Group strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 5</b>
<b>Independent auditors' report</b>	<b>6 - 7</b>
<b>Consolidated profit and loss account</b>	<b>8</b>
<b>Consolidated statement of total recognised gains and losses</b>	<b>9</b>
<b>Note of consolidated historical cost profits and losses</b>	<b>9</b>
<b>Consolidated balance sheet</b>	<b>10 - 11</b>
<b>Company balance sheet</b>	<b>12 - 13</b>
<b>Consolidated cash flow statement</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 36</b>

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## THE TINTOMETER LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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#### Business review

The group achieved a satisfactory performance in 2014, with a level of sales in the year that saw the medium term growth trend of the business continue, after allowance is made for the exceptional performance in 2013. Sales to the non EU export markets grew by almost 15% growth in the year, a good performance, with sales in the UK market performing in line with expectations. For EU sales, there was an adverse impact resulting from the adverse exchange rate movements in the period, a trend that has continued into 2015, with sales to these markets also impacted by the continued weak economic growth in this region.

Once allowance is made for the lower sales volume in the year, the group's profit performance was satisfactory in the year, especially as the company achieved a consistent level of gross profit percentage to that seen in 2013. There was an increase in admin overheads of almost 5%, reflecting further investment in the group's resources to continue its future expansion; in particular there was significant expenditure in the year to support the group's expansion into the Indian market. It is also pleasing to report that, following the restructuring of its operations in 2013, Appchem continued to perform well, with 2014 giving the group a full year of benefits from these changes.

The group's working capital requirements increased in the year, primarily driven by increases in stock levels and changes in the group's trading positions with other group entities. External receivables and payables were under control in the year, and the adverse stock changes were primarily the result of production issues close to year-end, resulting in a significantly increased level of partially completed instruments being on hand at the year-end; this problem was completely resolved in 2015.

The outlook for sales in 2015 is for further growth, reflecting mainly increased demand from newly industrialising countries, although due to exchange rate movements, we might see above anticipated growth in sales to North America. EU sales are only expected to grow slowly, reflecting the slow recovery in the Euro-zone economies and the continued adverse impact of the strengthening of the UK currency against the Euro.

Research and development continues to be a major focus for the group, and the resources dedicated to R&D are planned to increase further in 2015, both in the UK and in conjunction with associated group entities. It is pleasing to report that this investment is already being well received by customers, with good expressions of interest in the new products developed received from attendees at a recent major exhibition in Germany.

The directors are pleased to report that the Company was presented with the Queens Award for International Trade, the highest distinction that can be bestowed upon a UK company. The award recognised the growth in overseas earnings of 160% over the last six years for the Company.

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. As noted last year, the Company has decided to consolidate a number of its operations into a new facility in Amesbury. Having purchased the land in 2013, and following the completion of the design consultation, the build contract began in January 2015. Progress on the build has been in line with plan, both on cost and timeline with the building scheduled for handover in early November 2015. As there will be some interior fit-out required, it is anticipated that the building will start to be occupied in early 2016.

As disclosed in the subsequent events note, the group has also completed the acquisition of a UK company in March 2015. This acquisition trades in the water analysis market segment and will expand the product range that the new enlarged group can offer to all its customers.

As noted in the 2014 report, the group committed to expanding its worldwide presence, with the key step in this process being the increased management and financial support to its Indian subsidiary, so that 2015 will see the start of trading for this Indian subsidiary, and the further investment from the UK to enable it to commence local assembly for certain products. In view of the potential market size in India, the directors are confident that this entity will be a significant future asset to the group.

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**THE TINTOMETER LIMITED**

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**GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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To support this programme of expansion, the group has agreed further financing with its German parent company and its bankers to ensure that there are sufficient funds to meet the anticipated cash outflows, with the German parent company committing to invest a further £585,000 in equity shares in 2015. The company also started to drawdown a £2 million long term loan from its bankers in the year, and is in discussion to finalise further short term loans, if they prove necessary.

**Principal risks and uncertainties**

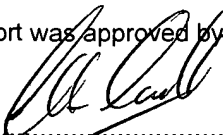
The directors are responsible for the group's systems of internal control, safeguarding of assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities, and have in place a framework of controls to ensure ongoing financial performance is monitored and risks 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
- Profit from operations as a measure of performance
- Gross profit percentage as a measure of profitability

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

  
.....  
**C A H M Counsell**  
**Director**

Date: 12/8/15

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## THE TINTOMETER LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### **Principal activities**

The principal activity of the group in the year under review was that of the manufacturing, sales and service of:

- colour measuring instruments, reference standards and glass cuvettes
- water analysis equipment, reagents, and associated items

#### **Results**

The profit for the year, after taxation, amounted to £1,154,828 (2013 - £2,679,303).

#### **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 (appointed 14 November 2014)

#### **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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

#### **Dividends**

No dividends will be distributed for the year ended 31 December 2014.

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## THE TINTOMETER LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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.

#### 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, as these assets are used in the group's business and no disposals are envisaged, the excess is not 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.

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**THE TINTOMETER LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**Disclosure of information to auditors**

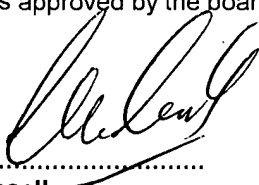
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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.

**Auditors**

The auditors, Nexia Smith & Williamson, 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.



.....  
**C A H M Counsell**  
Director

Date: 12/8/15



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## THE TINTOMETER LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TINTOMETER LIMITED

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We have audited the financial statements of The Tintometer Limited for the year ended 31 December 2014, which comprise the group Profit and loss account, the group and Company Balance sheets, the group Cash flow statement, the group Statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditing Practices Board'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](http://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 2014 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.

#### **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.

THE TINTOMETER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TINTOMETER LIMITED

*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: 13.8.15

**THE TINTOMETER LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>10,053,633</b>	<b>12,861,769</b>
Cost of sales		<u>(4,571,525)</u>	<u>(5,889,959)</u>
<b>GROSS PROFIT</b>		<b>5,482,108</b>	<b>6,971,810</b>
Administrative expenses		<u>(4,191,515)</u>	<u>(4,001,961)</u>
<b>OPERATING PROFIT</b>	3	<b>1,290,593</b>	<b>2,969,849</b>
Interest receivable and similar income		<b>5,974</b>	<b>678</b>
Interest payable and similar charges	7	<b>(28,854)</b>	<b>(19,193)</b>
Other finance charges	4	<u><b>(31,000)</b></u>	<u><b>(56,000)</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,236,713</b>	<b>2,895,334</b>
Tax on profit on ordinary activities	8	<u><b>(81,885)</b></u>	<u><b>(216,031)</b></u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	20	<u><b>1,154,828</b></u>	<u><b>2,679,303</b></u>

All amounts relate to continuing operations.

The notes on pages 15 to 36 form part of these financial statements.

**THE TINTOMETER LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,154,828</b>	<b>2,679,303</b>
Actuarial loss related to pension scheme	26	(890,000)	360,000
Deferred tax attributable to actuarial gain	26	124,800	(239,340)
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>389,628</b>	<b>2,799,963</b>

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1,236,713</b>	<b>2,895,334</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2,571	2,571
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1,239,284</b>	<b>2,897,905</b>
<b>HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION</b>	<b>1,157,399</b>	<b>2,681,874</b>

The notes on pages 15 to 36 form part of these financial statements.

**THE TINTOMETER LIMITED**  
**REGISTERED NUMBER: 00045024**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Intangible assets	9		537,226		707,655
Tangible assets	10		3,630,712		3,362,106
Investments	11		30		30
			<u>4,167,968</u>		<u>4,069,791</u>
<b>CURRENT ASSETS</b>					
Stocks	13	1,601,763		1,369,725	
Debtors	14	1,479,219		1,276,346	
Cash at bank and in hand		3,023,257		2,686,529	
		<u>6,104,239</u>		<u>5,332,600</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(852,265)		(1,015,784)	
<b>NET CURRENT ASSETS</b>			<u>5,251,974</u>		<u>4,316,816</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,419,942</u>		<u>8,386,607</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(764,854)		(636,270)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17	(60,463)		(53,315)	
Other provisions	18	(21,765)		(12,990)	
			<u>(82,228)</u>		<u>(66,305)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<u>8,572,860</u>		<u>7,684,032</u>
Defined benefit pension scheme liability	26		(3,054,400)		(2,555,200)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>5,518,460</u></u>		<u><u>5,128,832</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		8,750		8,750
Share premium account	20		945,350		945,350
Revaluation reserve	20		64,287		66,858
Capital redemption reserve	20		5,750		5,750
Foreign exchange reserve	20		(1,251)		(1,251)
Profit and loss account	20		4,495,574		4,103,375
<b>SHAREHOLDERS' FUNDS</b>	21		<u><u>5,518,460</u></u>		<u><u>5,128,832</u></u>

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THE TINTOMETER LIMITED

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CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2014

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



.....  
C A H M Counsell  
Director

Date: 12/8/15

The notes on pages 15 to 36 form part of these financial statements.

**THE TINTOMETER LIMITED**  
**REGISTERED NUMBER: 00045024**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Intangible assets	9		-		170,429
Tangible assets	10		3,214,012		3,001,549
Investments	11		1,321,529		961,529
			<u>4,535,541</u>		<u>4,133,507</u>
<b>CURRENT ASSETS</b>					
Stocks	13	1,476,919		1,253,277	
Debtors	14	1,467,495		1,257,169	
Cash at bank and in hand		2,621,495		2,437,925	
		<u>5,565,909</u>		<u>4,948,371</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(625,490)		(721,247)	
<b>NET CURRENT ASSETS</b>			<u>4,940,419</u>		<u>4,227,124</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,475,960</u>		<u>8,360,631</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(525,000)		(375,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17	(60,606)		(52,858)	
Other provisions	18	(21,765)		(12,990)	
			<u>(82,371)</u>		<u>(65,848)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<u>8,868,589</u>		<u>7,919,783</u>
Defined benefit pension scheme liability	26		(3,054,400)		(2,555,200)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>5,814,189</u>		<u>5,364,583</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		8,750		8,750
Share premium account	20		945,350		945,350
Revaluation reserve	20		64,287		66,858
Capital redemption reserve	20		5,750		5,750
Profit and loss account	20		4,790,052		4,337,875
<b>SHAREHOLDERS' FUNDS</b>	21		<u>5,814,189</u>		<u>5,364,583</u>

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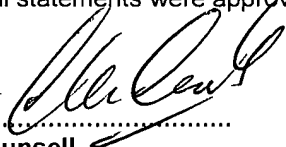
THE TINTOMETER LIMITED

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COMPANY BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2014

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

  
.....  
C A H M Counsell  
Director

12/8/15

The notes on pages 15 to 36 form part of these financial statements.



**THE TINTOMETER LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	22	953,619	3,008,027
Returns on investments and servicing of finance	23	(22,880)	(18,515)
Taxation		(232,038)	(366,035)
Capital expenditure and financial investment	23	(481,238)	(1,420,927)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>217,463</b>	<b>1,202,550</b>
Financing	23	119,265	426,259
<b>INCREASE IN CASH IN THE YEAR</b>		<b>336,728</b>	<b>1,628,809</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase in cash in the year	336,728	1,628,809
Cash inflow from increase in debt and lease financing	(119,265)	(426,259)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>217,463</b>	<b>1,202,550</b>
Net funds at 1 January 2014	1,919,633	717,083
<b>NET FUNDS AT 31 DECEMBER 2014</b>	<b>2,137,096</b>	<b>1,919,633</b>

The notes on pages 15 to 36 form part of these financial statements.

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## THE TINTOMETER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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 tangible fixed assets and in accordance with applicable accounting standards.

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of The Tintometer Limited and all of its subsidiary undertakings ('subsidiaries'). The acquisition method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

As permitted by section 408(3) of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these transactions are taken to reserves.

##### 1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched.

##### 1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is being amortised evenly over its estimated useful life of four years.

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value to the group of the purchase consideration for the shares of the subsidiary undertaking over the fair value of the identifiable net assets.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
L/Term Leasehold Property	-	Over period of lease
Plant & machinery	-	18% straight line
Motor vehicles	-	20% straight line

##### 1.6 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15, the Company has elected not to adopt a policy of revaluation of tangible fixed assets. The Company will retain the book value of land and buildings, previously revalued at 1991 and will not update that valuation.

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## THE TINTOMETER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.8 Leasing and hire purchase

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 Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### 1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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**THE TINTOMETER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES (continued)****1.12 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

**1.13 Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**1.14 Pensions**

The Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 1 August 2013.

**1.15 Trade marks and patents**

Expenditure on trade marks and patents is capitalised as an intangible asset and amortised over six years.

**2. TURNOVER**

The whole of the turnover is attributable to the one principal activity of the group.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	3,101,673	3,608,629
Rest of European Union	3,361,864	6,099,521
Rest of world	3,590,096	3,153,619
	<u>10,053,633</u>	<u>12,861,769</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	170,429	194,360
Depreciation of tangible fixed assets:		
- owned by the group	210,844	179,946
Auditors' remuneration	34,610	18,950
Auditors' remuneration - non-audit	-	10,700
Operating lease rentals:		
- other operating leases	75,666	62,593
Difference on foreign exchange	(16,627)	9,128
	<u>170,429</u>	<u>194,360</u>

Auditors fees for the Company were £29,460 (2013 - £33,485)

**4. OTHER FINANCE INCOME**

	2014 £	2013 £
Expected return on pension scheme assets	440,000	389,000
Interest on pension scheme liabilities	(471,000)	(445,000)
	<u>(31,000)</u>	<u>(56,000)</u>

**5. STAFF COSTS**

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

	2014 £	2013 £
Wages and salaries	2,793,956	2,365,923
Social security costs	247,338	213,946
Other pension costs (Note 26)	204,764	171,274
	<u>3,246,058</u>	<u>2,751,143</u>

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

	2014 No.	2013 No.
Production and service	49	64
Sales and distribution	26	15
Administration	15	16
	<u>90</u>	<u>95</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>210,064</u>	<u>186,757</u>
Company pension contributions to defined contribution pension schemes	<u>15,362</u>	<u>13,597</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £99,807 (2013 - £87,071).

**7. INTEREST PAYABLE**

	2014 £	2013 £
On bank loans and overdrafts	26,689	15,985
On finance leases and hire purchase contracts	2,165	3,208
	<u>28,854</u>	<u>19,193</u>

**8. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	82,912	468,798
Adjustments in respect of prior periods	(8,175)	(238,219)
<b>Total current tax</b>	<u>74,737</u>	<u>230,579</u>
<b>Deferred tax</b> (see note 17)		
Origination and reversal of timing differences	7,148	(14,548)
<b>Tax on profit on ordinary activities</b>	<u>81,885</u>	<u>216,031</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**8. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>1,236,713</u>	<u>2,895,334</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	265,893	673,061
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	152,310	116,041
Capital allowances for year in excess of depreciation	(7,746)	(34,417)
Utilisation of tax losses	12,308	28,978
Adjustments to tax charge in respect of prior periods	(24,357)	(238,219)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(163,304)	(169,704)
Fixed asset differences	9,178	7,265
Tax deduction arising from R&D expenditure	(185,825)	(150,934)
Unrelieved tax losses carried forward	17,361	-
Marginal relief	(1,081)	(1,492)
<b>Current tax charge for the year</b> (see note above)	<u><u>74,737</u></u>	<u><u>230,579</u></u>

**9. INTANGIBLE FIXED ASSETS**

Group	Trademarks & Patents £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2014 and 31 December 2014	<u>78,219</u>	<u>1,280,916</u>	<u>1,359,135</u>
<b>Amortisation</b>			
At 1 January 2014	78,219	573,261	651,480
Charge for the year	-	170,429	170,429
At 31 December 2014	<u>78,219</u>	<u>743,690</u>	<u>821,909</u>
<b>Net book value</b>			
At 31 December 2014	<u>-</u>	<u>537,226</u>	<u>537,226</u>
At 31 December 2013	<u>-</u>	<u>707,655</u>	<u>707,655</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. INTANGIBLE FIXED ASSETS (continued)**

Company	Trademarks & Patents £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2014 and 31 December 2014	28,219	743,690	771,909
<b>Amortisation</b>			
At 1 January 2014	28,219	573,261	601,480
Charge for the year	-	170,429	170,429
At 31 December 2014	28,219	743,690	771,909
<b>Net book value</b>			
At 31 December 2014	-	-	-
At 31 December 2013	-	170,429	170,429

**10. TANGIBLE FIXED ASSETS**

Group	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £
<b>Cost or valuation</b>				
At 1 January 2014	3,146,726	86,034	1,192,298	175,402
Additions	-	59,234	403,806	27,320
Disposals	-	-	(9,980)	-
At 31 December 2014	3,146,726	145,268	1,586,124	202,722
<b>Depreciation</b>				
At 1 January 2014	308,185	38,856	776,596	114,717
Charge for the year	35,291	15,585	123,180	38,361
On disposals	-	-	(643)	-
At 31 December 2014	343,476	54,441	899,133	153,078
<b>Net book value</b>				
At 31 December 2014	2,803,250	90,827	686,991	49,644
At 31 December 2013	2,838,541	47,178	415,702	60,685



**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**10. TANGIBLE FIXED ASSETS (continued)**

<b>Group</b>	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 January 2014	4,600,460
Additions	490,360
Disposals	(9,980)
At 31 December 2014	<u>5,080,840</u>
<b>Depreciation</b>	
At 1 January 2014	1,238,354
Charge for the year	212,417
On disposals	(643)
At 31 December 2014	<u>1,450,128</u>
<b>Net book value</b>	
At 31 December 2014	<u><u>3,630,712</u></u>
At 31 December 2013	<u><u>3,362,106</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2014 £</b>	<b>2013 £</b>
Motor vehicles	<u><u>-</u></u>	<u><u>27,749</u></u>

Cost or valuation at 31 December 2014 is as follows:

<b>Group</b>	<b>Land and buildings £</b>
<b>At cost</b>	3,172,353
<b>At valuation:</b>	
Valuation in 1991	<u>119,641</u>
	<u><u>3,291,994</u></u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**10. TANGIBLE FIXED ASSETS (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

<b>Group</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Cost	3,172,353	3,027,085
Accumulated depreciation	-	(279,260)
Net book value	<u>3,172,353</u>	<u>2,747,825</u>

<b>Company</b>	<b>Freehold property</b>	<b>L/Term Leasehold Property</b>	<b>Plant &amp; machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>					
At 1 January 2014	2,796,726	86,034	1,141,760	173,102	4,197,622
Additions	-	21,045	374,093	27,320	422,458
Disposals	-	-	(9,122)	-	(9,122)
At 31 December 2014	<u>2,796,726</u>	<u>107,079</u>	<u>1,506,731</u>	<u>200,422</u>	<u>4,610,958</u>
<b>Depreciation</b>					
At 1 January 2014	300,185	38,856	744,370	112,662	1,196,073
Charge for the year	31,291	15,585	115,734	38,263	200,873
At 31 December 2014	<u>331,476</u>	<u>54,441</u>	<u>860,104</u>	<u>150,925</u>	<u>1,396,946</u>
<b>Net book value</b>					
At 31 December 2014	<u>2,465,250</u>	<u>52,638</u>	<u>646,627</u>	<u>49,497</u>	<u>3,214,012</u>
At 31 December 2013	<u>2,496,541</u>	<u>47,178</u>	<u>397,390</u>	<u>60,440</u>	<u>3,001,549</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Company</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Motor vehicles	<u>-</u>	<u>27,749</u>

Included in land and buildings is freehold land at cost of £214,717 (2013 - £214,717), which is not depreciated.

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

Cost or valuation at 31 December 2014 is as follows:

	Land and buildings £
<b>Company</b>	
<b>At cost</b>	<b>2,784,164</b>
<b>At valuation:</b>	
Valuation in 1991	119,641
	<u><u>2,903,805</u></u>

Land and buildings comprise both of Freehold property and long term leasehold property.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2014 £	2013 £
<b>Company</b>		
Cost	3,172,353	2,677,085
Accumulated depreciation	-	(272,260)
	<u><u>3,172,353</u></u>	<u><u>2,404,825</u></u>

**11. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>Group</b>	
<b>Cost or valuation</b>	
At 1 January 2014 and 31 December 2014	30
<b>Net book value</b>	
At 31 December 2014	30
	<u><u>30</u></u>
At 31 December 2013	30
	<u><u>30</u></u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. FIXED ASSET INVESTMENTS (continued)**

<b>Company</b>	<b>Unlisted investments £</b>	<b>Shares in group undertaking s £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2014	30	961,499	961,529
Additions	-	360,000	360,000
At 31 December 2014	<u>30</u>	<u>1,321,499</u>	<u>1,321,529</u>
<b>Net book value</b>			
At 31 December 2014	<u>30</u>	<u>1,321,499</u>	<u>1,321,529</u>
At 31 December 2013	<u>30</u>	<u>961,499</u>	<u>961,529</u>

# THE TINTOMETER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 12. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
App-Chem Limited	United Kingdom	100	Manufacture of water treatment analysis reagents
Lovibond Tintometer Limited	United Kingdom	100	Dormant
Lovibond Limited	United Kingdom	100	Dormant
Tintometer India Private Limited	India	99.9	Non-trading entity

Tintometer India Private Limited prepares accounts to 31 March. Given the Non-trading entity status of the company, the Directors do not consider it necessary to align the year end with that of the parent entity.

### 13. STOCKS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Raw materials	457,401	551,074	457,401	434,626
Work in progress	25,159	21,150	25,159	21,150
Finished goods and goods for resale	1,119,203	797,501	994,359	797,501
	<u>1,601,763</u>	<u>1,369,725</u>	<u>1,476,919</u>	<u>1,253,277</u>

### 14. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	890,300	968,608	724,351	831,189
Amounts owed by group undertakings	323,196	202,798	495,642	332,373
Other debtors	205,701	72,040	191,307	60,707
Prepayments and accrued income	60,022	32,900	56,195	32,900
	<u>1,479,219</u>	<u>1,276,346</u>	<u>1,467,495</u>	<u>1,257,169</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**15. CREDITORS:**  
**Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	121,307	121,295	100,000	100,000
Net obligations under finance leases and hire purchase contracts	-	9,331	-	9,428
Trade creditors	285,629	248,445	254,321	223,008
Amounts owed to group undertakings	237,111	393,313	172,022	214,904
Corporation tax	2,762	-	-	-
Other taxation and social security	92,036	92,477	75,434	70,319
Other creditors	63,396	150,923	3,713	103,588
Accruals and deferred income	50,024	-	20,000	-
	<u>852,265</u>	<u>1,015,784</u>	<u>625,490</u>	<u>721,247</u>

**16. CREDITORS:**  
**Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	<u>764,854</u>	<u>636,270</u>	<u>525,000</u>	<u>375,000</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
<b>Between one and two years</b>				
Bank loans	<u>221,990</u>	<u>189,330</u>	<u>200,000</u>	<u>100,000</u>
<b>Between two and five years</b>				
Bank loans	<u>395,075</u>	<u>275,000</u>	<u>325,000</u>	<u>275,000</u>
<b>Over five years</b>				
Bank loans	<u>147,789</u>	<u>171,940</u>	<u>-</u>	<u>-</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. CREDITORS:**

**Amounts falling due after more than one year (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable by instalments	<b>147,789</b>	<b>171,940</b>	<b>-</b>	<b>-</b>

**17. DEFERRED TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	<b>53,315</b>	<b>67,863</b>	<b>52,858</b>	<b>66,925</b>
Charge for/(released during) the year (P&L)	<b>7,148</b>	<b>(14,548)</b>	<b>7,748</b>	<b>(14,067)</b>
At end of year	<b>60,463</b>	<b>53,315</b>	<b>60,606</b>	<b>52,858</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>60,463</b>	<b>53,315</b>	<b>60,606</b>	<b>52,858</b>

**18. PROVISIONS**

<b>Group</b>	<b>Dilapidation provision £</b>
At 1 January 2014	<b>12,990</b>
Additions	<b>8,775</b>
At 31 December 2014	<b>21,765</b>

**Dilapidation provision**

The costs associated with returning the leased buildings back to their original state upon the end of the lease have been provided for.

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Dilapidation provision £
<b>Company</b>	
At 1 January 2014	12,990
Additions	8,775
At 31 December 2014	<u>21,765</u>

**Dilapidation provision**

The costs associated with returning the leased buildings back to their original state upon the end of the lease have been provided for.

**19. SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
17,500 Ordinary shares of £0.50 each	<u>8,750</u>	<u>8,750</u>

**20. RESERVES**

	Share premium account £	Capital redempt'n reserve £	Revaluation reserve £	Foreign exchange reserve £	Profit and loss account £
<b>Group</b>					
At 1 January 2014	945,350	5,750	66,858	(1,251)	4,103,375
Profit for the year	-	-	-	-	1,154,828
Pension reserve movement	-	-	-	-	(765,200)
Transfer between Revaluation reserve and P/L account	-	-	(2,571)	-	2,571
At 31 December 2014	<u>945,350</u>	<u>5,750</u>	<u>64,287</u>	<u>(1,251)</u>	<u>4,495,574</u>
<b>Company</b>					
At 1 January 2014	945,350	5,750	66,858		4,337,875
Profit for the year	-	-	-		1,214,806
Pension reserve movement	-	-	-		(765,200)
Transfer between Revaluation reserve and P/L account	-	-	(2,571)		2,571
At 31 December 2014	<u>945,350</u>	<u>5,750</u>	<u>64,287</u>		<u>4,790,052</u>

The closing balance on the Profit and Loss account includes a £3,054,400 (2013 - £2,555,200) debit, stated after deferred taxation of £763,600 (2013 - £638,800), in respect of pension scheme liabilities of the Group and Company pension scheme.



# THE TINTOMETER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2014 £	2013 £
Opening shareholders' funds	5,128,832	2,157,996
Profit for the financial year	1,154,828	2,679,303
Shares issued during the year	-	170,873
Other recognised gains and losses during the year	(765,200)	120,660
Closing shareholders' funds	<u>5,518,460</u>	<u>5,128,832</u>

Company	2014 £	2013 £
Opening shareholders' funds	5,364,583	2,581,845
Profit for the financial year	1,214,806	2,662,078
Other recognised gains and losses during the year	(765,200)	120,660
Closing shareholders' funds	<u>5,814,189</u>	<u>5,364,583</u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the Company was £1,214,806 (2013 - £2,662,078).

### 22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	1,290,593	2,969,849
Amortisation of intangible fixed assets	170,429	194,360
Depreciation of tangible fixed assets	212,417	190,292
Loss on disposal of tangible fixed assets	215	506
Increase in stocks	(232,038)	(167,710)
Decrease in debtors	77,589	246,388
Increase in amounts owed by group undertakings	(120,398)	(90,337)
Decrease in creditors	(761)	(265,997)
(Decrease)/increase in amounts owed to group undertakings	(156,202)	237,686
Increase in provisions	8,775	12,990
Decrease in net pension assets/liabilities	(297,000)	(320,000)
Net cash inflow from operating activities	<u>953,619</u>	<u>3,008,027</u>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	5,974	678
Interest paid	(26,689)	(15,985)
Hire purchase interest	(2,165)	(3,208)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(22,880)</b>	<b>(18,515)</b>
	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	-	(70,002)
Purchase of tangible fixed assets	(490,360)	(1,351,131)
Sale of tangible fixed assets	9,122	206
<b>Net cash outflow from capital expenditure</b>	<b>(481,238)</b>	<b>(1,420,927)</b>
	2014 £	2013 £
<b>Financing</b>		
New secured loans	128,596	454,219
Other new loans	-	98
Repayment of other loans	-	(28,058)
Repayment of finance leases	(9,331)	-
<b>Net cash inflow from financing</b>	<b>119,265</b>	<b>426,259</b>

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	2,686,529	336,728	-	3,023,257
<b>Debt:</b>				
Finance leases	(9,331)	9,331	-	-
Debts due within one year	(121,295)	(128,596)	128,584	(121,307)
Debts falling due after more than one year	(636,270)	-	(128,584)	(764,854)
<b>Net funds</b>	<b>1,919,633</b>	<b>217,463</b>	<b>-</b>	<b>2,137,096</b>

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**25. CAPITAL COMMITMENTS**

At 31 December 2014 the group and Company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	£	£	£	£
Contracted for but not provided in these financial statements	<u>3,552,882</u>	<u>-</u>	<u>3,552,882</u>	<u>-</u>

The Group and Company were committed to the above costs in relation to the building of a new industrial unit at the year end.

**26. PENSION COMMITMENTS**

The group operates three pension schemes for its employees, one funded defined benefit pension scheme, which is closed to new employees, and two defined contribution pension schemes, which new employees may join.

**Defined benefit 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 to 31 December 2013 and 31 December 2014. All valuations were carried out by a independent actuary.

The amounts recognised in the Balance Sheet are as follows:

	<u>2014</u>	<u>2013</u>
	£	£
Present value of funded obligations	(12,696,000)	(11,087,000)
Fair value of scheme assets	<u>8,878,000</u>	<u>7,893,000</u>
Deficit in scheme	(3,818,000)	(3,194,000)
Related deferred tax asset	<u>763,600</u>	<u>638,800</u>
Net liability	<u>(3,054,400)</u>	<u>(2,555,200)</u>

The pension scheme assets include ordinary shares issued by The Tintometer Limited with a fair value of £NIL (2013 - £NIL). Scheme assets also include property occupied by The Tintometer Limited with a fair value of £NIL (2013 - £NIL).

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**26. PENSION COMMITMENTS (continued)**

The related deferred tax asset has increased in the year by £124,800. This change is a result of both the reduction in the deficit in the scheme and also the impact of a change in taxation rate applied.

A change in regulations from April 2011 means that CPI rather than RPI can be used for the increases in revaluation of deferred benefits and pension increases, where they are linked to statutory increases. The assumptions agreed with the Company make allowance for this change.

The amounts recognised in profit or loss are as follows:

	2014 £	2013 £
Interest on obligation	(471,000)	(445,000)
Expected return on scheme assets	440,000	389,000
Current service cost	(22,000)	(22,000)
Interest cost on pension scheme liabilities	-	-
Expected return on pension scheme assets	-	-
<b>Total</b>	<b>(53,000)</b>	<b>(78,000)</b>
<b>Actual return on scheme assets</b>	<b>989,000</b>	<b>547,000</b>

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	11,087,000	11,132,000
Interest cost	471,000	445,000
Contributions by scheme participants	19,000	19,000
Actuarial (gains)/losses	1,439,000	(202,000)
Current service cost	22,000	22,000
Benefits paid	(342,000)	(329,000)
<b>Closing defined benefit obligation</b>	<b>12,696,000</b>	<b>11,087,000</b>

Changes in the fair value of scheme assets were as follows:

	2014 £	2013 £
Opening fair value of scheme assets	7,893,000	7,314,000
Expected return on assets	440,000	389,000
Actuarial gains	549,000	158,000
Contributions by employer	319,000	342,000
Contributions by scheme participants	19,000	19,000
Benefits paid	(342,000)	(329,000)
<b>Total</b>	<b>8,878,000</b>	<b>7,893,000</b>

The group expects to contribute £285k to its defined benefit pension scheme in 2015.

**THE TINTOMETER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**26. PENSION COMMITMENTS (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2014</b>	<b>2013</b>
Equities	<b>41.00 %</b>	<b>45.00 %</b>
Property	<b>5.00 %</b>	<b>5.00 %</b>
Fixed Interest	<b>53.00 %</b>	<b>49.00 %</b>
Cash	<b>1.00 %</b>	<b>1.00 %</b>

The expected rate of return on scheme assets below is calculated by weighting the individual rates of return on the asset categories, in accordance with the anticipated balance in the plan's investment portfolio.

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

	<b>2014</b>	<b>2013</b>
Discount rate at 31 December	<b>3.30 %</b>	<b>4.25 %</b>
Expected return on scheme assets at 31 December	<b>5.00 %</b>	<b>5.58 %</b>
Future pension increases	<b>3.10 %</b>	<b>3.40 %</b>
Revaluation in deferment	<b>2.40 %</b>	<b>2.70 %</b>
Life expectancy for 65 year old male	<b>22.8 years</b>	<b>22.7 years</b>
Life expectancy for 65 year old female	<b>25.2 years</b>	<b>25.1 years</b>

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

**Defined benefit pension schemes**

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(12,696,000)</b>	<b>(11,087,000)</b>	<b>(11,132,000)</b>	<b>(9,176,000)</b>	<b>(7,936,000)</b>
Scheme assets	<b>8,878,000</b>	<b>7,893,000</b>	<b>7,314,000</b>	<b>6,834,000</b>	<b>6,238,000</b>
Deficit	<b>(3,818,000)</b>	<b>(3,194,000)</b>	<b>(3,818,000)</b>	<b>(2,342,000)</b>	<b>(1,698,000)</b>
Experience adjustments on scheme liabilities	<b>(1,439,000)</b>	<b>202,000</b>	<b>(1,823,000)</b>	<b>(1,072,000)</b>	<b>(1,080,000)</b>
Experience adjustments on scheme assets	<b>549,000</b>	<b>158,000</b>	<b>63,000</b>	<b>274,000</b>	<b>290,000</b>

**Defined contribution scheme**

During the year the group paid contributions of £220,261 (2013 - £114,433) in respect of its defined benefit contribution pension scheme. At the balance sheet date there were no contributions outstanding and no prepaid contributions.

# THE TINTOMETER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 27. OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancelable operating leases as follows:

Group	Land and buildings		2014	Other
	2014	2013		2013
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	8,490	4,852	2,240
Between 2 and 5 years	63,600	38,346	8,066	17,931

At 31 December 2014 the company had annual commitments under non-cancelable operating leases as follows:

Company	Land and buildings		2014	Other
	2014	2013		2013
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	6,250	4,852	-
Between 2 and 5 years	63,600	37,518	8,066	17,103

### 28. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, 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 £264,235 (2013: £297,340) and £1,505,255 (2013: £1,515,641) respectively. At the year end, the group owed Tintometer GmbH £165,366 (2013: £214,139) and was owed £20,166 (2013: £32,738).

The Group also sold to and purchased from Tintometer Inc (a subsidiary of Tintometer GmbH) goods to the value of £828,801 (2013: £656,062) and £4,300 (2013: £2,663) respectively. At the year end the group was owed by Tintometer Inc £303,030 (2013: £170,059) and owed £5,594 (2013: nil).

### 29. POST BALANCE SHEET EVENTS

The Company acquired 100% of Droptestkits.com on 12th March 2015 for total consideration of £2.6m. This has been funded by TT GmbH subscribing for a further 4,500 shares at a cost of £130 in 2015.

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<b>THE TINTOMETER LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**30. CONTROLLING PARTY**

Tintometer GmbH (incorporated in Germany) is regarded by the directors as being the company's ultimate parent company. Tintometer GmbH is under the control of C P Voss.